BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

23rd Day August 2025

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

COMPLAINT NO.71 OF 2025

M/s SAS I Tower Investors Association
(rep by B.Chakradhari, SAS 1 Tower Investors Association5-9-22/1/16/2, Milano Residency1st floor, Adarshnargar,Near Birla TempleHyderabad)

…..***Complainant***

Versus

M/s SAS 1Tower Pvt Ltd
(504, 5th floor, Modern Profound tech park, Whitefeild Road, Kondapur, Telangana, Hyderabad500084)

Sri Gude Venkateshwara Rao
(Managing Director, SAS ITower Pvt Ltd. R/o Villa 36, Jayabheri Temple Tree, Narsingi, Nanakramguda, Rangareddy – 500075)

Sri Rajkumar Kurra
(Director- SAS1 Tower Pvt Ltd, R/o Villa 58, Fortune Esmeralda Villa, Kondapur, Hyderabad 500058)

Smt. Harvinder Kaur
(R/o Palm view, Krishna Chouwk, Old Delhi-Gurgaon Road, Sector -19, Dundahera, Gurugram- 122 016, Haryana)

Smt. Mohinin Chawla
(Flat no.104, 1st floor, B-Block My home Bhooja, Bio diversity circle, RaidurgamPanmak, Serlingampally Mandal Rangareddy District- 500081)

…..***Respondent(s)***

SUO MOTU COMPLAINT 208/2025/TG RERA

M/s SAS 1 Tower Pvt Ltd
(504, 5th floor, Modern Profound tech park, Whitefeild Road, Kondapur, Telangana, Hyderabad- 500084) …..***Promoter/Respondent***

SAS 1 Tower ……***Project Name***

The captioned Complaint No. 71 of 2025 and the connected Suo Motu proceedings bearing No. 208 of 2025 were listed for hearing before this Authority on 11.07.2025. The Complainant was represented by the Learned Counsel Mr. Mohd. Muzakkir Ahmed Qayyumi. Respondent Nos. 1 to 2 and the Promoter arrayed in Suo Motu No. 208 of 2025 were represented by Mr. Rusheek Reddy, Learned Counsel. Respondent Nos. 4 and 5 appeared in person. Upon a careful perusal of the material available on record and after considering the submissions made by the respective parties, the matter was reserved for orders. The Authority now proceeds to pronounce the following **Order:**

2. The present Form 'M' Complaint has been filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the RE(R&D) Act"), read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as "the Rules"), seeking appropriate directions against the Respondents.

3. Simultaneously, Suo Motu proceedings have been initiated by this Authority under Section 35(1) of the Act, in view of the larger public interest involved and to ensure timely and lawful completion of the real estate project in question, namely, the "SAS I Tower Project".

4. In view of the commonality of parties, and issues involved in both the Complaint and Suo Motu proceedings, this Authority deemed it appropriate to hear and decide both matters together. The objective in both proceedings is aligned to ensure the timely and lawful completion of the project while protecting the legitimate interests of the allottees.

A. Facts as Represented by the Complainant – SAS I Tower Investors Association (Complaint No. 71/2025):

6. The Complainant, a registered association under the name "SAS I Tower Investors Association", represents the allottees of the SAS I Tower Project, situated at Sy. No. 19, Khajaguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana (TS RERA Registration No. 20 dated 12.06.2019).Smt. HarvinderKaur and Smt. MohiniChawla (Resp.No.4 and 5) are the landowners of Sy.No.19, Khajaguda Village, Serilingampally Village, Ranga Reddy District

7. The landowners of the said parcel, namely Smt. Harvinder Kaur and Smt. Mohini Chawla (Respondent Nos. 4 and 5), have entered into a development agreement with the developer M/s SAS I Tower Private Limited, represented by Respondent No. 1 as Managing Director and Respondent No. 2 as Director overseeing day-to-day affairs.

8. As per the statutory definition under the Act, both the landowners and the developer are to be treated as “Promoters” and are jointly liable for the development and timely completion of the project. Recently, we noted that the work at SAS I Tower Project has slowed down and the same was enquired with the Developers.

9. The Complainant Association has submitted that the pace of construction at the SAS I Tower Project had significantly slowed in recent months. Upon inquiry, it was brought to light that disputes and miscommunications between the developers and landowners led to a halt in development activity, which has adversely impacted the interests of the investors and allottees.

10. In response to this situation, the allottees formed the Association with the express purpose of mediating and resolving the dispute. Several meetings were convened with the stakeholders on 05.12.2024, 09.12.2024, 19.12.2024, 22.12.2024, and 29.12.2024. The Association undertook the role of facilitator to enable reconciliation between the parties.

11. The Developer is stated to have agreed to resume construction forthwith and assured the Association that all project-related funds would be routed through an escrow mechanism. It was further agreed that the landlord, Smt. Mohini Chawla, shall monitor the escrow transactions and that payments shall be made only with her approval. Additionally, the Developer agreed to furnish monthly reports detailing expenditure and progress to the landowners and investors.

12. In furtherance of transparency and accountability, the Developers R1 to R3 have offered to grant access to the project accounts to an expert committee constituted by the Association. It was further agreed that future sale proceeds shall be deposited into an escrow account jointly operated by the Developers, Landowners, and the Association.

13. The Association has also submitted that a meeting was held with father of Respondent 5 to apprise him of the aforementioned assurances. Despite such efforts, the landowners are alleged to have filed frivolous complaints against the Developers, resulting in unnecessary delays and reputational damage, thereby impeding the ability of the Developers to raise funds.

14. The Developers have alleged that onerous conditions imposed by the Landowners such as (i) a bar on sale of 18,04,825 sq. ft. of developer's share, (ii) requirement of written consent for sale of the 26th to 29th floor areas, and (iii) imposition of investor retention clauses have critically affected their ability to monetise their share and complete the project.

15. The Association claims to have examined various legal proceedings, including COP No. 85/2023 filed by the Developer and COP No. 96/2023 filed by the Landowners before the

Hon'ble XXIV Additional Chief Judge cum Commercial Court, City Civil Courts, Hyderabad, as well as Complaint No. 1733/2023 filed by the Landowners before this Authority, which was subsequently withdrawn. The allegations raised now are substantially the same as those previously withdrawn.

16. It is submitted that following mediation a Settlement Agreement dated 20.02.2024 and an Addendum-cum-Revised Area Allocation Agreement dated 10.04.2024 were executed. From 10.04.2024 until 30.11.2024, the Landowners raised no grievance. The revival of previous allegations post 30.11.2024 is viewed by the Association as mala fide.

17. As per Clause xii, xiii and xiv of the Revised Area Allocation Agreement, the Developer is restricted from selling a substantial portion of its share, must obtain prior consent for sale of certain floors, and can only induct limited investors with similar sale restrictions. These restrictions are alleged to be unreasonable and obstructive to the financial viability of the project.

18. The Association contends that despite repeated communications, the Landowners have failed to cooperate. The Association believes that such actions are designed to sabotage the Developer's ability to complete the project, possibly to take over the project themselves in the event of delay beyond the GHMC-mandated occupancy deadline of 20.08.2025.

19. The SAS I Tower Project, a 37-storey commercial tower, is already 75% complete. The Association submits that further legal disputes or destabilisation of the current Developer, especially Respondent No. 2 (who holds 80% shareholding in SAS I Tower Pvt. Ltd.), would irreversibly jeopardize the project and the investments of over 400 allottees.

20. It is the Association's considered submission that unless the Landowners agree to relax the said onerous clauses and jointly operate the escrow mechanism for all future sale proceeds along with the Developer and Association, the project will not be capable of completion in a timely manner.

21. In view of the above, the Complainant Association ***prays*** for the following directions from this Authority**:**

a. *Direct the Landowners (Respondent Nos. 4 and 5) to cooperate with the Developer by relaxing the conditions imposed under Clauses xii, xiii, and xiv of the Addendum dated 10.04.2024.*

b. *Mandate that all further sale proceeds be deposited into an escrow account jointly operated by the nominees of the Developers, Landowners, and the Association until completion of the Project.*

c. *Ensure that the project is completed in a time-bound manner to safeguard the interests of the allottees and prevent irreparable loss.*

B. Respondent 1-2 Reply (Complaint No. 71/2025):

22. The Respondent No. 1 was originally constituted as a partnership firm under the name and style of M/s. SAS Infra. With a view to expanding its business activities and operations, the said firm was duly converted into a private limited company on 06.04.2022, and pursuant to such conversion, all rights, obligations, and liabilities of the erstwhile partnership firm were lawfully vested in the Respondent No. 1 Company.

23. In the year 2017, one Smt. Mohini Chawla, along with her father Mr. R.P. Singh and her mother Smt. Harvinder Kaur, approached the Respondent offering their land admeasuring Ac. 10-32.5 gts. situated in Survey No. 19 at Khajaguda Village, Serilingampally Mandal, Ranga Reddy District (hereinafter referred to as the 'Subject Property') for the purpose of real estate development and sale. Based on the proposal and representations of the said individuals, the Respondent agreed to undertake the development of the Subject Property by entering into a Development Agreement in respect of a portion of the land admeasuring Ac. 5-16 gts., and further agreed to purchase the remaining portion admeasuring Ac. 5-16 gts.

24. As per the mutual understanding, the Respondent entered into a Memorandum of Understanding dated 01.11.2017 with Smt. Mohini Chawla and her mother, Smt. Harvinder Kaur, as the purported landowners, outlining the agreed terms for sale and development. It is pertinent to state that this bifurcated arrangement whereby one-half of the land was to be sold and the other half developed under an agreement was at the specific suggestion of the landowners. This arrangement enabled the landowners to secure a substantial monetary consideration for a portion of the land while simultaneously receiving 50% of the built-up area from the development of the other portion, effectively entitling them to 25% of the total built-up area.

25. Initially, the landowners represented that Smt. Harvinder Kaur was the absolute owner and possessor of Ac. 7-08 gts., and Smt. Mohini Chawla was the absolute owner of Ac. 3-24 gts. Relying on these representations, the Respondent paid an amount of ₹24,65,00,000/- towards sale consideration. However, upon detailed scrutiny of the link documents pertaining

to the Subject Property, it emerged that a cloud existed over the title concerning an area admeasuring Ac. 3-24 gts

26. . Upon confronting the landowners with the title issue, they stated that although a Gift Deed had been executed in favour of Ms. Chetna Kaur sister of Smt. Mohini Chawla giving rise to the title ambiguity, the issue had been resolved. Notwithstanding these assurances, given the scale and significance of the proposed development project involving over 60 lakh sq. ft. of built-up area, the Respondent, exercising commercial prudence, chose not to proceed with the purchase of the entire Subject Property and, instead, restricted its action to executing a Development Agreement. This culminated in the execution of a Development Agreement Cum General Power of Attorney dated 16.08.2018 bearing Doc. No. 13916/2018 for an extent of Ac. 5-16 gts. out of the Subject Property. The parties further entered into an Allocation Agreement dated 29.12.2018 bearing Doc. No. 13542/2019 to record the built-up area allocation arising from the aforementioned Development Agreement.

27. Subsequent to the above, and considering that a substantial amount totalling ₹43,65,00,000/- had already been paid by the Respondent towards sale consideration, the Respondent proceeded to execute sale transactions in proportion to the area commensurate with such payment. Accordingly, Sale Deeds dated 23.02.2019 bearing Doc. Nos. 3264/2019 and 3265/2019 were executed in respect of two parcels of land measuring Ac. 0-23 gts. each, aggregating to Ac. 1-06 gts., belonging to Smt. Mohini Chawla.

28. Thereafter, owing to a change in circumstances and upon mutual discussions, the parties, in deviation from the original terms of the Development Agreement Cum General Power of Attorney dated 16.08.2018, executed a Deed of Amendment. Through this Amendment, the parties agreed that the portion of land which was not sold would be amalgamated with the land covered under the Development Agreement, and the built-up area share of the landowners would be revised accordingly across all categories. It was further agreed that in the event the Respondent was financially in a position to do so, it could purchase additional land from the landowners up to a maximum of Ac. 5-16 gts. at a mutually agreed price, and in such a case, the proportionate built-up area entitlement of the landowners would be reduced. Pursuant to this understanding, Smt. Harvinder Kaur, acting through her GPA holder Smt. Mohini Chawla, executed a Sale Deed dated 23.03.2019 bearing Doc. No. 5043/2019 conveying an additional extent of Ac. 0-30.4 gts.

29. Over time, a series of additional instruments were executed between the Respondent and the landowners including the Supplemental Allocation Agreement dated 25.06.2019, an Additional Supplementary Deed and Allocation of Area bearing Doc. No. 2219 of 2022, and an Amendment Deed dated 20.01.2023 bearing Doc. No. 1242 of 2023, all of which revised and reiterated the terms of understanding from time to time.

30. As of date, the Respondent has received Ac. 5-16 gts. of land under the Development Agreement Cum General Power of Attorney dated 16.08.2018 and has purchased Ac. 1-36.4 gts. vide Sale Deeds dated 23.02.2019 and 23.03.2019. The Respondent was and remains entitled to purchase the remaining portion of land admeasuring Ac. 2-37.6 gts. (after excluding Ac. 0-22 gts. acquired by the Government for road widening) subject to the landowners resolving the pending title issues. Despite repeated communications dated 19.08.2022 and 07.07.2023, calling upon the landowners to clear the said deficiencies, no resolution has been forthcoming.

31. Feeling aggrieved by the dishonest and misleading conduct of the landowners, who induced the Respondent to part with substantial sums of money despite the existence of unresolved title issues and further enriched themselves through the development of the project, the Respondent was constrained to lodge a criminal complaint dated 12.10.2023 before the Station House Officer, Raidurgam Police Station. Pursuant to directions of the Hon'ble II Additional Junior Civil Judge cum XIII Additional Metropolitan Magistrate, Cyberabad at Rajendranagar under Section 200 Cr.P.C., an FIR bearing No. 887/2023 came to be registered for offences under Sections 406, 415, 417, 420, 120B IPC read with Section 156(3) Cr.P.C. against the landowners.

32. Parallelly, the Respondent No. 1 filed COP No. 85 of 2023 under Section 9 of the Arbitration and Conciliation Act, 1996, seeking an injunction against alienation of the balance Ac. 2-37.6 gts., followed by invocation of arbitration under Section 21 of the Act vide notice dated 02.11.2023. The landowners responded on 29.11.2023, contending that arbitration was premature in the absence of conciliation. Thereafter, the landowners themselves initiated COP No. 96 of 2023, securing an ex parte ad-interim order restraining alienation of built-up area.

Subsequently, the parties opted for mediation and entered into an agreement dated 20.02.2023, agreeing to resolve all further disputes amicably. In pursuance of this settlement, an Addendum and Revised Area Allocation Agreement was executed on 10.04.2024 (Doc. No. 8260 of 2024), and arbitration proceedings were accordingly withdrawn. Despite the Respondent No. 1's

continuous efforts to fulfill its obligations under the agreement, the landowners have obstructed progress by issuing frivolous notices and complaints, including baseless representations to authorities.

33. In a shocking development, the landowners lodged a complaint resulting in registration of FIR No. 7 of 2025 before the EOW PS, Cyberabad under the Bharatiya Nyaya Sanhita, 2023 for alleged violations of the settlement agreement. Such criminal proceedings are wholly unwarranted and malafide, especially given the history of mutual negotiations, amendments, and settlement.

34. The present complaint filed before this Hon'ble Authority, which has been registered as Case No. D/208/25, is yet another instance of the landowners' harassment with the intention of arm-twisting and coercing the Respondents. It is submitted that the Respondents have always acted in good faith and have continuously made efforts to complete the project, despite repeated non-cooperation from the landowners.

35. With reference to para 2 of the Complaint, the Respondents submit that the sole cause of delay is the persistent interference and malicious conduct of the landowners. The Respondents reiterate their willingness to complete the project expeditiously, subject to the landowners ceasing their obstructive conduct and cooperating in good faith. The Respondents are actively engaged in fulfilling all obligations and are committed to protecting the interests of all stakeholders including investors and allottees.

36. It is clear from the sequence of events that the landowners, despite having received significant monetary and constructed area benefits, are acting purely out of mala fides to stall the project and gain further undue advantage. The pendency of earlier withdrawn complaints, subsequent settlement agreements, and the continued filing of new complaints in violation thereof, establishes the lack of bona fides on their part.

37. The Respondents therefore respectfully pray that this Hon'ble Authority may be pleased to take into consideration the aforementioned facts and circumstances, and pass such orders as may be necessary to protect the interest of the project and its completion, while ensuring that no further frivolous actions are entertained to obstruct the ongoing development. The Respondents are ready and willing to comply with all lawful directions of this Hon'ble Authority and pray that appropriate orders may be passed to facilitate the timely completion of the project and in the larger interest of justice.

C. Respondent 4&5 Reply (Complaint No. 71/2025):

38. It is submitted by the Respondents R4 and R5 that the Complainant, Shri B. Chakradhari, is a self-styled president of an unregistered body purportedly titled "SAS I Tower Investor Association". It is contended that no details have been furnished regarding the formation of this alleged association or the basis of the Complainant's election or nomination as president. Further, it is brought to the notice of this Authority that Shri B. Chakradhari had no valid agreement of sale or registered sale deed in his favour until 19.02.2025, which is a date subsequent to the filing of the present complaint on 18.02.2025.

39. Attention is drawn to the registered Settlement Agreement dated 20.02.2025 executed between Respondents R1 and R4-R5, wherein Clause 2(xv) stipulates that "the owner's representative will have a right to verify the price before registration of any agreement." It is submitted that the said sale deed in favour of Shri Chakradhari was not brought to the notice of Respondents R4 and R5 and is, therefore, in contravention of the settlement terms. Moreover, this sale deed discloses advance payments of ₹11 lakhs in March 2018, prior to execution of any Development Agreement or GPA with Respondents R1 to R3, thereby raising serious questions on its validity and bonafides.

40. Respondents R4 and R5 aver that the Complainant is a proxy for Respondent R2, having assisted him earlier in soliciting investors and executing unauthorized pre-sales before the execution of the DA-GPA. A WhatsApp message dated 24.01.2024, purportedly sent by Shri Chakradhari to the father of Respondent R4, contains an admission regarding large-scale siphoning of funds by the Directors of the Developer entity. The subsequent volte-face of the Complainant, who now appears to support R2, merits scrutiny.

41. It is further submitted that the Complainant created a WhatsApp group at the behest of R2 and actively controls its communications as administrator. Allegedly, views not aligned with R2 are suppressed, and genuine allottees opposing R2's position are barred from the group. A printed letterhead was circulated listing members of this WhatsApp group, creating a misleading impression that they support this petition, whereas most may be unaware of their inclusion or of the complaint itself.

A letter from Shri Anand Moorthy of Props AMC, representing 345 allottees, has been submitted to demonstrate that this so-called Association was formed without inviting or admitting allottees who disagreed with the agenda of R2. The said letter specifically alleges

exclusionary practices by Shri Chakradhari and misrepresentation of facts in the instant complaint.

42. It is submitted that besides Shri Chakradhari, the complaint bears the names of six other individuals listed as executive or expert committee members, whose locus standi remains unestablished. They have not disclosed unit details, payment history, or documentary proof of their status as allottees. Upon verification through the IGRS portal and internal sales data, only four namesShri Badrinath, Smt. Rama Devi, Shri Ajay Babu, and Shri Prakash Rao are found to be allottees. Shri G. Vara Prasad Rao appears to have introduced multiple purchasers but has not shown any bonafide interest.

43. It is stated that several of these persons acquired units at extremely low rates (e.g., ₹2500/sq.ft.) before the DA-GPA was even executed, allegedly as a quid pro quo for customer procurement. These transactions cast serious doubt on their status as genuine allottees. It is the specific case of the Respondents that such individuals were used by R2 to offload unsanctioned inventory and launder unaccounted cash.

44. Reference is made to the registered Settlement Agreement dated 20.02.2024 and document no. 8260/2024, wherein it was agreed that Respondents R1 to R3 shall hand over the landowners' share by August 2025. Failure to do so would trigger foreclosure rights for R4 and R5 over the mortgaged area. However, despite this agreement, no substantial progress has been made by R1–R3, and violations of the terms are rampant.

45. In anticipation of the August 2025 deadline, it is alleged that Respondent R2 has launched a targeted campaign using Shri Chakradhari and the WhatsApp group to malign R4 and R5, mislead investors, and create psychological pressure to force dilution of the terms of the Settlement Agreement.

46. It is submitted that some of the individuals active in the said WhatsApp group are the very persons who facilitated illegal sales by R2 before execution of DA-GPA, resulting in unauthorized pre-sales of approximately 6.5 lakh sq.ft. These activities, it is contended, warrant criminal investigation by agencies such as the Economic Offences Wing or CBI.

47. The Complaint, according to the Respondents, is a one-sided narrative that entirely avoids attributing any liability to the Developer, despite overwhelming evidence of siphoning, project delay, and financial mismanagement. It is submitted that the complaint has been filed to shield R2 and create an illusion of legitimacy for his actions.

48. The Respondents assert that the Complainants have no privity of contract with them and cannot interfere with contractual terms between the landowners and the Developer, particularly when R4 and R5 have never sold or developed any portion of their share independently, nor interfered in construction activities.

49. It is further stated that the Developer, after failing to obtain relief from the commercial court in COP 85/2023 and facing an adverse order in COP 96/2023 (dated 23.11.2023), approached Respondents R4 and R5 for a settlement. A Settlement Agreement was thereafter signed on 20.02.2024, followed by registration.

50. Due to continued violations post-settlement, including registration of sale deeds without landowner consent, Respondents R4 and R5that the mediator resigned reportedly due to a conflict of interest arising from his son's alleged association with R2's company.

51. It is pointed out that multiple sale deeds indicate fraudulent sales in favour of related parties and at undervalued rates. For instance, sale deeds nos. 14905/2024 and 14906/2024 are executed in favour of Citywest Developers, a firm linked to R2. Another deed, no. 130/2025, shows a transaction with SRIAS Constructions LLP (also associated with R2 and R3) using cheques dated 2019 and no clear payment trail.

52. Respondents state that several of these sales involve mortgaged areas and were conducted in breach of both the original DA-GPA and the Settlement Agreement. Sale data obtained from intermediaries and Props AMC shows that sales occurred even before DA-GPA execution and that power of attorney was misused by Respondent 1.

53. In light of these ongoing violations, a complaint was filed with the Economic Offences Wing, which after preliminary inquiry, registered an FIR against R1 under Sections 316(2), 318(4), and 61(2) of the Bharatiya Nyaya Sanhita (BNS).

54. An analysis of the sale data by financial experts reveals widespread price manipulation, resulting in estimated siphoning of ₹585–₹685 crores. These figures are based on abnormal price differentials recorded even within the same quarter and between similarly situated units.

55. Instances of back-dated and accommodation sales, some promising high rental yields and buyback optionsare cited as examples of financial engineering intended to launder cash.

56. Additionally, on the expense side, it is submitted that R2 has misappropriated substantial funds. Even R3 (a 20% stakeholder) has demanded a forensic audit and has accused

R2 of diverting funds to other projects, as evidenced by emails exchanged in October–November 2024.

57. Respondents submit that the complexity of operating such a large commercial development, with a proposed density of 6 lakh sq.ft./acre, requires significant oversight and retained stake by the Developer. However, the Developer has sold over 23 lakh sq.ft., much of it without any access or service area, and now intends to exit the project, thereby endangering the long-term viability.

58. The current floor design allows for only 6 tenants per floor, but sale data indicates over 50 allottees per floor in Tower A1. The result will be operational chaos, inability to lease to MNCs, and inevitable distress sales by small investors. A typical floor plan reveals lack of amenities like access corridors or toilets for independently sold units.

59. It is submitted that the Developer's attempt is now to obtain an OC by compromising specifications, after which he will exit, abandoning obligations under RERA. The Respondents cite recent events including:

a. Removal of the construction head,
b. Removal of the chief architect,
c. Outsourcing of HVAC systems
d. Change in façade vendor for Tower A2, and
e. Inferior finishing materials vis-à-vis original estimates.

60. Further Respondents No. 4 and 5 submit that any agreement under which a property is delivered without a valid and feasible access must be treated as an act of fraud, amounting to a Ponzi scheme. Investors who were misled into purchasing such inaccessible units are not only entitled to a full refund along with interest but must also be adequately compensated by the Developer. It is further submitted that to protect the interests of these investors, immediate steps must be taken to attach the assets constructed by the Developer using the funds siphoned from the subject project, including surplus proceeds from other projects promoted by Shri G.V. Rao.

61. Respondents further submit that all conditions set out in the Settlement Agreement dated 20.02.2024 and Document No. 8260/2024 are intended solely for the timely completion of the project and to ensure its post-completion sustainability, thereby protecting the interest of allottees at large. In particular, covenant (vi) of Doc No. 8260/2024, requiring the Developer to submit revised building plans by May 2024, was critical in view of continued alterations being made to the project layout without approval from the allottees or consent of the landowners.

The longstanding "retention clause" present from the initial 2018 agreement was specifically aimed at ensuring that Respondent No.1 (R1) maintained a stake in the project, thereby upholding construction quality and facilitating long-term leasing and maintenance.

62. Further, in light of credible information regarding the siphoning of funds and receipt of substantial cash payments by R1, Clause 2(xv) of the Settlement Agreement and covenant (xii) of Doc No. 8260/2024 were introduced to ensure that all sale proceeds would be accepted solely through banking channels and deposited in the dedicated project account. Additionally, Respondents 4 and 5 agreed to relax the retention clause (covenant xiii) to permit R1 to introduce 3–4 institutional investors who would retain the 18 lakh sq ft covered under the retention obligation jointly with R1. Despite this relaxation, R1 proceeded to sell the area at abysmally low prices, without notifying or obtaining clearance from Respondents 4 and 5, thus depriving the project of critical funding.

63. Respondents submit that since June 2024, they have consistently sought updates from R1 to ensure that the project as a whole, not just their share, is constructed as per the agreed specifications. It is contended that unless the 23 lakh sq ft already sold in Tower A1 is completed in a lease-worthy condition, tenants would be unwilling to occupy the 7.5 lakh sq ft owned by Respondents 4 and 5. It is therefore in Respondents' own interest, and aligned with the interest of other allottees, to ensure the holistic completion of the project. However, the continued deviation by the Developer from the original sanctioned plan, coupled with failure to file revised plans within the agreed timeline, reflects a deliberate lack of commitment. The Respondents also apprehend a severe shortfall in parking facilities, which, if true, will adversely impact permissible built-up area in Tower Ban area entirely within the landowners' retention share. This could explain the reluctance of the Developer to seek revised approvals, effectively jeopardizing the entire project.

64. Respondents deny the credibility of the cost estimate of ₹411 crore being flaunted by R2, which is based on a report by CBRE submitted in February 2025. It is submitted that this figure covers only MEP costs and excludes critical specifications, with HVAC and BMS components alone being undervalued by nearly ₹70 crore. This manipulated figure is being propagated with the assistance of Complainant Shri Chakardhari to mislead other investors via curated WhatsApp messages, while dissenting voices are summarily deleted.

65. On the contrary, a realistic cost estimate of ₹817 crore was obtained from the then Construction Head on 26.12.2024. This figure, which excludes cost of funds, assured returns,

CAM and corpus replenishment, pertains to Tower A and the substructure for Tower B, which is intended for parking use. Therefore, the actual requirement is estimated to be over ₹1,000 crore. The Developer has so far accounted for only ₹900 crore through the sale of 23 lakh sq ft. But for the timely intervention by Respondent No. 5 through a police complaint, the remaining area would have been disposed of and the project abandoned.

66. In view of the above, Respondents submit that R1 and R2 must repatriate a substantial portion of the siphoned funds to make the project viable and fulfil their contractual obligations. It is submitted that R2 has accumulated a profit exceeding ₹1,000 crore in his personal capacity through Srias Developers LLP. A 55-storey ultra-luxury project, "SAS Crown," promoted by R2 through this LLP, has received substantial funding diverted from the present project. Yet, despite commanding prices of ₹13,000–15,000 per sq ft (and upward of ₹20,000 per sq ft for higher floors), registrations are being conducted at artificially deflated values (₹4,000 per sq ft) evidence of systemic cash siphoning. A press release dated 20.03.2025 by Infomeric Ratings corroborates this. These funds, Respondents allege, are being misused for the purchase of 28 acres of land in Kukatpally.

67. Respondents further refer to an analysis of 23 registered sale agreements of SAS Crown showing artificially suppressed registration values, while actual market rates are far higher. The rating report also confirms that 92% of the project's financial needs are covered by receivables from already sold units. Conservative estimates indicate that the 107 unsold flats could generate at least ₹1,153 crore, further strengthening the claim that funds can easily be restored.

68. It is respectfully reiterated that Respondents No. 4 and 5 are landowners and not promoters. Clauses 5(b) and 13(c) of Document No. 13916/2018 and covenant (xxx) of Doc No. 8260/2024clarify that Respondents have no involvement in project execution, revenue sharing, or decision-making. They are simply entitled to built-up area in lieu of land and have not sold any part of their share. They are therefore allottees, entitled to statutory protection under the RE(R&D) Act, 2016.

69. Respondents rely on the following judgments and orders to support their position:

a. Kerala High Court, MSA 16/2024 (Pooja Constructions v. Kerala UranmaDevaswom Board) where it was held that landowners accepting consideration in kind remain allottees, not promoters.

b. Patna High Court, WP 15444/2021 and MA 296/2021 affirming landowners are consumers under the Consumer Protection Act and are entitled to protection and compensation in case of delay.

70. These precedents clearly establish that Respondents 4 and 5 are allottees and cannot be classified as promoters. The prayer of the Complainant to treat them otherwise, or to interfere with their contractual terms, is both misconceived and legally untenable.

71. Respondents respectfully submit that the Developer (R1 to R3) has committed a litany of RERA violations including:

1. Sale of over 6.5 lakh sq ft prior to any valid DA or GPA;
2. Sale of 10.5 lakh sq ft prior to RERA registration;
3. Failure to open RERA account until October 2023;
4. Misrepresenting title ownership in Form B;
5. Withholding mandatory disclosures under Section 11;
6. Making plan deviations without requisite allotee consent or revised approvals;
7. Mismanagement of maintenance and corpus funds.

72. Respondents also submit a detailed para-wise reply to the averments made in the complaint (M-Form, pages 5–9), strongly denying all allegations made against them. It is reiterated that they have not obstructed the project at any stage and have acted solely in the interest of project completion. On the contrary, they allege that R2 has orchestrated a systematic diversion of funds and manipulated investor sentiments via misleading campaigns and WhatsApp groups, while registering undervalued sale deeds and executing cash-based transactions.

73. Respondents pray that the Hon'ble Authority may:

1. Direct a forensic audit of accounts and transactions;
2. Mandate R1 to R3 to deposit the full viability gap funding;
3. Restrain the Developer from undertaking further sales without due verification;
4. Direct appointment of a reputed third-party Developer, in consultation with allottees;
5. Confirm the status of Respondents 4 and 5 as Allottees and protect their entitlements under the RE(R&D) Act, 2016.

D. Rejoinder filed by the Complainants against Respondent Nos. 4 and5:

74. The Complainants, through their rejoinder, have submitted that the deponent is the President of the SAS I Tower Investors Association and is well acquainted with the facts of the present case and is competent to depose on behalf of the Association. At the outset, the Complainants have denied all averments made in the Counter Affidavit filed by Respondent

Nos. 4 and 5, unless specifically admitted. It is submitted that unless explicitly admitted, all contents of the Counter shall be deemed to be denied in toto.

75. With respect to the unnumbered paragraph 3 in the Counter Affidavit, the Complainants deny the allegation that the present complaint has been filed at the behest of Respondent No.2 with an intent to delay or defeat the ongoing Suo Motu action initiated by this Authority. The Complainants state that the SAS I Tower Investors Association, consisting of around 120 members, was formed solely with the purpose of resolving disputes and monitoring development activities. The Complainants assert that the allegations of mala fides are baseless.

76. The Complainants deny the contents of paragraph 1 of the Counter Affidavit and submit that the allegations regarding Mr. B. Chakradhari being a self-styled President of the Association are false. It is submitted that proper procedure was followed in constituting the Association and electing its President. It is denied that Mr. Chakradhari lacked a valid sale agreement or sale deed until 19.02.2025, or that the said deed violates the settlement agreement between the landowners and the developer. The Complainants further deny that he was made to acquire the status of an allottee merely to advance the agenda of Respondent No.2.

77. The Complainants assert that the execution of the sale deed in favour of Mr. Chakradhari is legal and binding. The Complainants submit that the subject property was offered for development by one Ms. Mohini Chawla and her parents through an MOU dated 01.11.2017. Based on the representations and assurances of Respondent Nos. 4 and 5 regarding title, the Developer entered into sale agreements and executed MOUs and sale deeds with bona fide purchasers, including the Complainants. A registered Development Agreement-cum-General Power of Attorney was executed in 2018, formalizing the arrangement. The initial MOUs and Agreements of Sale executed by the Developer with purchasers were lawful and valid, subsisting through and after the execution of the said Development Agreement.

78. Following disputes, the parties executed a settlement agreement dated 20.02.2024 and an addendum agreement dated 10.04.2024. Clause (xi) of the addendum states that the Developer has sold units only in specific floors (7 to 14, and 17 to 25), and Clause (xii) provides that any further sale in floors 26 to 29 requires written consent from the landowners. The Complainants submit that the purchase by Mr. Chakradhari falls under Clause (xi), and thus, the allegation that his sale deed was executed without landowner consent is unfounded.

79. The Complainants allege that Respondent Nos. 4 and 5 have deliberately suppressed Clause (xi) while misrepresenting Clause (xii), indicating mala fide intent to delay construction

and disrupt progress. It is asserted that as per the RERA Act, an allottee includes anyone to whom a unit has been transferred through sale, and the execution of the MOU and registered sale deed in favour of Mr. Chakradhari confirms his status as an allottee. Therefore, any allegation suggesting otherwise is denied as baseless.

80. The Complainants further submit that the Association was formed due to the illegal and obstructive actions of Respondent Nos. 4 and 5. In December 2024, several purchasers visited the project site and found no developmental activity, prompting inquiries. Upon confrontation, it was revealed that Respondent Nos. 4 and 5 were repeatedly objecting to development under various pretexts, thereby causing financial distress. As a result, meetings were convened, and the Association was formally constituted in good faith on 29.12.2024 with Mr. Chakradhari elected as President, following meetings on 05.12.2024, 09.12.2024, 19.12.2024, and 22.12.2024.

81. The Complainants deny the allegations in paragraph 2 of the Counter that Mr. Chakradhari is acting as a proxy for Respondent No.2 or had any role in siphoning of funds. It is submitted that in March 2018, Respondent No.2 approached Mr. Chakradhari with an offer to sell commercial plots, resulting in a legitimate MOU and subsequent sale deed. Therefore, allegations of collusion or proxy behavior are denied.

82. In reply to paragraph 3 of the Counter, the Complainants deny that the WhatsApp group administered by Mr. Chakradhari was created at the behest of Respondent No.2 or that it censors opposing views. The Complainants clarify that there was no association until December 2024, and the group was created in response to the unlawful obstruction by Respondent Nos. 4 and 5. The meetings included participation from allottees, including Mr. Anand Moorthy, and no exclusion or bias was practiced.

83. The Complainants submit that over ₹100 Crores have been collectively paid by the purchasers, enabling 75% of the construction to be completed. Due to delays caused by the Respondents, the Association was compelled to be formed to safeguard purchasers' interests. Hence, the contention that the Association was formed without transparency is denied.

84. The Complainants deny the contents of paragraph 4 and affirm that the President has submitted his registered sale deed, establishing his status as an allottee. Allegations regarding non-disclosure of allotment details by other members are denied.

85. In response to paragraph 5, the Complainants deny that the purchasers acquired properties at unfairly low rates or paid in cash to Respondent No.2. The purchasers are bona fide allottees who relied on valid documentation, and there is no merit in classifying them as mere investors.

86. In reply to paragraph 6, it is denied that Respondent No.2 used Mr. Chakradhari to manipulate investors via WhatsApp groups or sought to dilute contractual terms. It is submitted that the Developer has completed 85% of the project, and the remaining 15% could not be completed due to the refusal of Respondent Nos. 4 and 5 to provide consent for sale of the Developer's share. Such refusal, in violation of the Addendum Agreement, has delayed the project and prejudiced the purchasers.

87. The Counter are denied as false and baseless, lacking any supporting documentation. The Complainants assert that the complaint is not one-sided or lacking privity, as the landowners have been actively involved and are thus jointly liable. The purchasers have a right to raise concerns under the RERA framework.

88. They are not privy to the contents and put Respondent Nos. 4 and 5 to strict proof. the Complainants deny the allegation that the WhatsApp group is being used to mislead investors or manipulate opinions. These are vague accusations without evidence

89. The Complainants submit that Respondent Nos. 4 and 5, being co-promoters, have a share in the project and profit, and are therefore jointly responsible under the Act. As per the Addendum Agreement, their written consent is required for any sale by the Developer, thus making them active participants and not passive landowner.

90. The Complainants deny that their Association lacks locus standi. The members are genuine allottees with valid sale deeds and a financial stake in the project. The denial of their legal right to raise grievances is baseless.

91. The Complainants reiterate their locus standi and deny any improper motive. The formation of the Association was legitimate, and its members are entitled to intervene in project matters affecting their interests.

92. The Complainants deny that the petition is intended to interfere with the contractual rights of Respondent Nos. 4 and 5. The complaint seeks to enforce the rights of allottees as recognized under the Act.

93. The Complainants affirm that they are genuine allottees who have lawfully invested in the project based on representations made by both the Developers and landowners. Due to the refusal of Respondent Nos. 4 and 5 to permit sale of the Developer's share, delays and financial losses have occurred, prejudicing the Complainants.

94. In conclusion, the Complainants submit that the high-handed conduct of Respondent Nos. 4 and 5, particularly in refusing to grant consent for sale of the Developer's share, is in breach of the Addendum Agreement and is driven by an ulterior motive to unjustly enrich themselves. Their obstructionist conduct has disrupted progress and harmed the rights of the purchasers.

95. The Complainants assert their right, as protected allottees under the Act, to raise grievances and seek redressal. Accordingly, they pray that this Hon'ble Authority be pleased to reject the contents of the Counter filed by Respondent Nos. 4 and 5 and allow the complaint in terms of the reliefs sought.

E. ***Facts of Suo Motu Complaint No. 208/2025:***

96. The Authority notes that a detailed representation was received from2 landowners who identified themselves as the lawful owners of land bearing Sy. No. 19 situated at Khajaguda. It has been submitted that these landowners had entered into a Development Agreement with M/s SAS Infra, now known as *SAS I Tower Private Limited*, for the development of a commercial project comprising retail and office spaces. Despite the passage of over seven years since the execution of the said agreement, the project remains grossly incomplete. The Complainants have alleged that the Developer has diverted funds received from investors in the subject project to initiate several other real estate ventures, thereby delaying the completion of the instant project.

97. The landowners have further alleged that even though nearly 23 lakh sq. ft. of proposed built-up area has been sold by the Developer, only around Rs. 900 crore has been brought in as the recorded sale consideration. The consideration reportedly ranged between Rs. 2,550 per sq. ft. to Rs. 12,500 per sq. ft., indicating, as per the Complainants, that substantial parts of the sale consideration may have been received in unaccounted cash. This, according to the landowners, was allegedly diverted by the Developer towards acquisition of land and commencement of other projects through various companies/LLPs owned or controlled by one Mr. G.V. Rao. It has been averred that Mr. G.V. Rao, who was only operating a partnership firm at the time the

Joint Development Agreement was signed, now holds 80% equity in the Developer company along with his close family members.

98. It has been brought to the Authority's notice that despite providing several concessions to the Developer vis-à-vis the original MoU executed in 2017 ostensibly to facilitate smooth execution of the project the Developer has, since June 2023, started harassing the landowners on frivolous and fabricated grounds. The primary objective of such conduct, as alleged, appears to be to coerce the landowners into reducing their agreed share of area in the ongoing project.

99. The Complainants have also stated that the Developer has initiated both civil and criminal proceedings against them. In particular, they allege that a malicious criminal case was filed in connivance with certain police officials. Despite obtaining a favourable court order in the civil matter, the Complainants claim that they were persistently harassed by the then Inspector of Police, Raidurg Police Station. All requisite documents were submitted to the Commissioner of Police and the concerned Inspector to establish that the complaint filed by the Developer was false and vexatious. However, coercive actions allegedly continued until the transfer of these officers and a change in regime. The landowners have therefore requested that an enquiry be ordered into the alleged misconduct of the then police officials.

100. Following the change in regime, the Developer purportedly lost the administrative influence it previously exercised. The Complainants state that in light of a civil court interim order favouring them, the Developer initiated a dialogue through mediator who offered to mediate the dispute. Keeping in view the interest of the large number of small investors already involved in the project, the landowners agreed to a settlement, and a formal agreement was entered into on 20.02.2024.

101. However, the Complainants submit that even after a lapse of more than 11 months since the execution of the settlement agreement, there has been no significant progress at the project site. Despite the project being at a standstill, the Developer has allegedly continued to book new sales in violation of the settlement terms. The agreement stipulated that any future sales could only be undertaken with the prior written consent of the landowners an obligation which the Developer has allegedly failed to honour. Upon examination of data from the IGRS portal, the landowners discovered that the Developer had executed multiple fraudulent sale transactions, several of which were reportedly accommodation entries involving business associates and partners, aimed at further misappropriation of project funds. Alarmingly, portions of the project which were mortgaged in favour of the landowners as security were also

sold in violation of the agreement. Furthermore, through financial intermediaries, the Complainants have discovered that the Developer had collected significant funds from small investors while impersonating a Power of Attorney holder, even before the JDA was formally signed.

102. It is contended that owing to the alleged large-scale diversion and misappropriation of project funds, the project has become commercially unviable. The landowner's express serious apprehension that the Developer may soon abandon the project, thereby forcing creditors to initiate insolvency proceedings under the Insolvency and Bankruptcy Code and pushing the Developer company towards liquidation. This, in turn, would cause immense financial hardship to the landowners and potentially affect thousands of small investors.

103. Further, prior to entering into the settlement, the Complainants had approached this Authority and filed various documents demonstrating that considerable amounts were being collected in cash as part of sale consideration, alongside other serious violations. However, due to the Developer's engagement of a large legal team and the eventual execution of the settlement agreement, no immediate regulatory action was taken, and the matter was not pursued at that time.

104. An internal cost estimate prepared by the then Head of Construction for the project has also been submitted by the landowners as Annexure 5, wherein the projected construction cost alone is shown to be approximately Rs. 817 Crores. This figure excludes the cost of funds, assured returns to investors, and the replenishment of common area maintenance (CAM) or corpus fund, leading to a total requirement in excess of Rs. 1,000 Crores. The landowners submit that, in their view, it is no longer viable to complete the project with the limited unsold area remaining.

105. Requesting Authority to safeguard the interest of a large number of small investors who have been lured by promise of huge returns, we pray for immediate Suomoto action by RERA to investigate the diversion misappropriation of funds collected from investors/purchasers/allottees and various other violations of RERA guidelines in all the projects floated by Sh. GV Rao.

F. Reply filed by the Respondent IN Suo motu complaint 208/2025:

106. The Respondent Company, *M/s SAS I Tower Private Limited* (formerly SAS Infra), has submitted a detailed written response denying all allegations raised by the landowners. At the

outset, the Respondent contends that the submissions made by the landowners are vague, unsubstantiated, lacking in documentary evidence, and motivated by mala fide intent to extract undue financial benefits. It is argued that the landowners do not qualify as "aggrieved persons" under Section 31 of the Real Estate (Regulation and Development) Act, 2016, and that the present proceedings being initiated suo motu are being misused by the landowners to further a personal vendetta.

107. The Respondent narrates the background of the transaction, including its conversion from SAS Infra to SAS Infra Projects Pvt. Ltd., and the development arrangement with the landowners comprising both Development Agreements and partial land sale. It is stated that despite paying approximately ₹43.65 Crores as sale consideration, title defects were discovered over a portion of the land, due to which only clear title land parcels were purchased, and the development proceeded cautiously. Disputes arose on this count, leading to multiple agreements and communications over time.

108. The Respondent further states that various agreements were entered into and modified from time to time, including Development Agreements, Allocation Agreements, and Sale Deeds. The landowners, according to the Respondent, failed to cure title defects, necessitating initiation of criminal proceedings under FIR No. 887/2023 for cheating and criminal conspiracy. Parallelly, arbitration proceedings were also initiated. The matter culminated in a mediated settlement dated 20.02.2023 and later in an Addendum cum Revised Allocation Agreement dated 10.04.2024. Despite this, the landowners allegedly continued to act in bad faith and obstruct the project.

109. The Respondent asserts that it remains committed to completion of the project and had even proposed to place future sale proceeds in an escrow mechanism for transparency. However, in the midst of this, the landowners allegedly lodged a fresh complaint (FIR No. 7/2025 under BNS provisions), which the Respondent characterizes as malicious and a gross abuse of criminal process.

110. It is further submitted that the landowners' allegations in their email dated 27.01.2025 and other representations to this Authority are false and defamatory. The Respondent claims it was not served with the document titled "Synopsis of Case Facts to RERA," and denies every claim made therein for want of knowledge and merit.

111. The allegation of sale deeds being executed in favour of business associates post settlement is emphatically denied. It is stated that no such sale deeds were executed post the

20.02.2024 settlement agreement, and even prior agreements of sale were voluntarily cancelled on 21.02.2025 vide Document Nos. 2399/2025 & 2400/2025, in order to maintain transparency.

112. As regards the allegation of unauthorized sale of retained areas, the Respondent submits that a portion of the 37th Floor was transferred to Mr. Raj Kumar based on mutual understanding among stakeholders, and upon later objections by the landowners, the same was cancelled through a registered cancellation deed dated 28.03.2025 (Doc. No. 4495/2025), thus resolving the issue.

113. The apprehensions expressed by landowners regarding replacement of the Respondent as Developer are termed as indicative of ulterior motives to remove the Respondent and unjustly benefit financially. The Respondent denies all allegations regarding siphoning of ₹600 Crores or any other misappropriation, asserting that no forensic audit is warranted, and any such direction would severely harm stakeholder interests.

114. The Respondent reiterates that all transactions and unit sales were at arm's length and aligned with commercial practices. Differences in pricing (e.g., ₹10,350/sq. ft. vs. ₹2,850/sq. ft.) are stated to be due to standard business reasons such as bulk deals, early investor incentives, and marketing strategies.

115. The representation of Ms. Mohini Chawla is denied in toto. The Respondent states there is no threat to investor interests and that landowners are obstructing the project through baseless allegations of cash consideration, which are speculative and unsupported by evidence.

116. The allegations regarding malicious criminal cases and police harassment are denied. The Respondent contends that such matters lie outside the jurisdiction of this Authority.

117. With respect to the emails of Mr. Raja Kumar Kurra, the Respondent states that no prima facie case is made out for forensic audit and that these communications are being used selectively to harass and defame. The unilateral cost estimate of ₹1,000 Cr. provided by the landowners is also disputed.

118. The cancellation of a registered Gift Deed in favour of Ms. Chetna Kaur is cited as a reason for banks' reluctance to fund the project, which the Respondent claims is attributable to landowners' actions rather than any fault of its own.

119. The Respondent categorically denies that any unit was sold without price verification or in contravention of the Settlement Agreement. Transactions that were objected to were cancelled, demonstrating transparency and good faith.

120. Allegations in the representation dated 02.04.2025, and reference to the Props AMC report, are also denied. The Respondent states that no siphoning has occurred and the landowners have failed to demonstrate how any pricing differences have resulted in personal financial loss.

121. The Respondent prays that the Authority should not be swayed by assumptions or conjectures, and submits that all sales were accounted, with no evidence of undeclared cash consideration. The specific figures of ₹686 Cr. or ₹585 Cr. alleged to be misappropriated are denied as speculative and defamatory.

122. The demand for forensic audit into personal finances of Mr. G.V. Rao and his relatives is strongly opposed as lacking legal basis and jurisdiction. Allegations of fund diversion to unrelated projects like "SAS Crown" are denied as motivated attempts to pressure the Respondent.

123. The Respondent argues that the landowners' conduct is causing delay, harming investor confidence and disrupting all stakeholders. Despite this, the Respondent remains committed to the completion of the project.

124. Finally, it is submitted that the present proceedings, though titled as a suo motu case, are being excessively influenced and pursued by the landowners as a proxy mechanism to re-agitate settled issues. The conduct of the landowners amounts to a deliberate obstruction of the project and an abuse of process.

125. ***Accordingly, the Respondent prays for:***

a. *Dismissal of the present proceedings bearing Complaint No. D/208/2025 as being devoid of merit;*
b. *Imposition of exemplary costs on the landowners for advancing defamatory and vexatious claims;*
c. *And for such other reliefs as deemed just and proper by this Hon'ble Authority*

G. ***Interim Order – issued by the Authority:***

126. On 05.03.2025, this Authority heard Complaint No. 71/2025 and Suo Motu Proceedings No. 208/2025, concerning the SAS I Tower Project, and issued the following interim directions to safeguard allottees' interests and ensure timely project completion**:**

A. The complainant association in Complaint No. 71/2025, which claims to represent more than 60% of the allottees, and the Promoter are hereby directed to submit a joint or separate affidavit within seven (07) days from the date of this Order, stating:
a) Whether the association has been formed in accordance with Section 11(4)(e) of the RE(R&D) Act and if it has been duly registered as per applicable laws;
b) If already registered, a copy of the registration certificate and governing documents shall be filed;
c) If not registered, the Promoter is directed to immediately initiate steps for the formation and registration of the association of allottees as mandated under the RE(R&D) Act.

B. Upon constitution and registration of the association, the said association shall be impleaded as a necessary party to complaint no.71/2025 proceedings to ensure complete and effective adjudication.

C. The Respondent Promoter, M/s SAS 1 Infratech Ventures Pvt Ltd is further directed to file a memo disclosing the following particulars:
a) A comprehensive list of all allottees in the project, along with details of whether they are members of the existing or proposed association;
b) Copies of executed agreements (such as Agreement for Sale, Allotment Letters, etc.);
c) Details of consideration amounts received from each allottee till date.

D. *The above disclosures shall be submitted on affidavit by the next adjournment date that is 11.07.2025, failing which the Authority shall be constrained to proceed under Section 63 of the RE(R&D) Act*

H. Observations of the Authority:

127. Upon a comprehensive review of the material on record, including the submissions made by the Complainant Association in Complaint No. 71 of 2025, the replies and counter-affidavits filed by the Respondents, the rejoinder by the Complainants, the representations leading to the initiation of Suo Motu Complaint No. 208/2025, and the reply thereto by the Promoter/Respondent, this Authority has framed the following points for consideration. These points are addressed in light of the provisions of the Real Estate (Regulation and Development) Act, 2016, the Telangana Real Estate (Regulation and Development) Rules, 2017, and the overarching objective of the RE(R&D) Act to protect the interests of allottees while ensuring transparency, accountability, and timely completion of real estate projects. The Authority has also taken note of the commonality of issues in both proceedings, which revolve around

disputes over project delays, alleged non-cooperation, financial mismanagement, and the roles of the involved parties.

1. *Whether the Complainant Association has locus standi to maintain the complaint before this Authority?*
2. *Whether Respondents Nos. 4 and 5 fall under the definition of a "promoter" under Section 2(zk) of the RE(R&D) Act?*
3. *Whether the Complainants are entitled to the relief(s) sought?*
4. *Whether a forensic audit, as requested by Respondents Nos. 4 and 5 in the suo motu proceedings, is necessary at this stage*

Point No. 1: *Whether the Complainant Association has locus standi to maintain the complaint before this Authority?*

128. The Complainant before us is *M/s SAS I Tower Investors Association*, which has invoked Section 31 of the Real Estate (Regulation and Development) Act, 2016, read with Rule 34(1) of the Telangana Rules, claiming to represent a body of allottees aggrieved by delays and disputes concerning the SAS I Tower Project.

129. Respondents Nos. 4 and 5, the landowners, have seriously questioned the maintainability of the complaint on the ground of lack of locus standi. Their objections are twofold: firstly, that the Association is an unregistered, self-styled body which, according to them, operates as a proxy of Respondent No. 2 (a Director of the Developer); and secondly, that its President, Shri B. Chakradhari, had no subsisting sale deed on the date of filing (executed only on 19.02.2025, subsequent to the filing on 18.02.2025). It is further alleged that the Association has excluded dissenting allottees, manipulated WhatsApp groups and letterheads to project inflated support, and that certain members have acquired units at undervalued rates as quid pro quo arrangements.

130. In rejoinder, the Complainant has produced material to show that the Association was constituted on 29.12.2024 after a series of meetings held on 05.12.2024, 09.12.2024, 19.12.2024 and 22.12.2024, in the backdrop of project stagnation allegedly caused by the landowners' obstruction. It is asserted that the Association comprises genuine allottees holding valid agreements, MOUs, and registered sale deeds, with cumulative investments exceeding ₹100 Crores. The President's sale deed, though executed post-filing, is justified with reference to Clause (xi) of the Addendum-cum-Revised Area Allocation Agreement dated 10.04.2024, which permitted sales of specified floors without further consent. The Complainants deny

exclusionary practices and maintain that around 120 members voluntarily associated to safeguard their interests.

131. This Authority has considered the rival contentions and the material placed on record. Respondents Nos. 4 and 5 have alleged that certain members are not bona fide allottees, having acquired units at undervalued rates or through pre-launch arrangements prior to execution of the DGPA. However, it is not disputed that units were indeed allotted to them by Respondents Nos. 1 and 2, who have neither denied the allotments nor the execution of agreements/MOUs.

132. It is true that the Complainants have not placed on record the agreements or sale deeds of every single member of the Association. Only a few agreements, MOUs and deeds have been produced to establish allottee status. However, in the considered view of this Authority, this does not ipso facto discredit the Association's standing. The statutory test under Section 2(d) of the Act is whether the persons before us have been allotted, sold, or transferred units by the promoter. That test is satisfied in respect of the members whose documents are placed on record.

133. The absence of every member's agreement is not fatal at this stage, for two reasons: first, because Respondents Nos. 1 and 2the promoters who executed such allotmentshave not disputed the complainants' allottee status; and second, because Section 31 permits "any aggrieved person," including a collective of allottees, to approach this Authority. Once some members have established themselves as allottees, the Association's standing as their representative cannot be denied merely because not every member has filed his/her document.

134. That said, this Authority clarifies that locus standi is being recognized on the basis of the material placed, coupled with the statutory consumer-protection intent of the Act. Should Respondents Nos. 4 and 5 wish to contest the allottee status of any specific member, the burden lies on them to produce cogent evidence to that effect. Mere assertions of undervaluation or pre-launch arrangements, without proof, cannot dislodge the complainants' prima facie case.

135. Section 2(d) of the Act defines an "allottee" 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."

136. From a plain reading of the above provision, it is evident that the crucial determinant is whether the unit has been allotted, sold or transferred by the promoter. The question of valuation or mode of acquisition is immaterial so long as the allotment emanates from the promoter. In the present case, since Respondents Nos. 1 and 2 have not disputed the allotments made to the Complainants, the objection of Respondents Nos. 4 and 5 on the ground of undervaluation or pre-launch loses force. The Complainants thus fall within the statutory definition of "allottees."

137. The next objection relates to the legitimacy of the Association itself. Rule 2(b) of the Telangana RERA Rules, 2017, defines an "association of allottees" to mean a collective of allottees of a project, registered under any law in force, acting as a group to serve the cause of its members, and including authorized representatives. It is a matter of record that the present Association is unregistered. However, the Authority notes that the complaint herein does not concern matters such as handover of common areas, maintenance, or issues where a registered association is mandatory. Instead, the grievance pertains to project delays and potential prejudice to individual investments. For such limited reliefs, the absence of registration cannot, by itself, be fatal to the complaint, particularly when the members are demonstrably allottees.

138. This Authority is mindful that the Act is a beneficial legislation, designed to secure the interests of consumers in real estate projects. Denying locus standi on hyper-technical grounds would frustrate the consumer-protection in Real Estate Sector mandate of the statute. While the objections of Respondents Nos. 4 and 5 regarding exclusion of dissenters and the authenticity of support letters are noted, these remain assertions unsupported by cogent material. Even the letter by Shri Anand Moorthy, claiming to represent 345 allottees, is contested and cannot override the documentary evidence produced by the Complainants. Discord within the allottee body or internal disagreements do not, per se, disqualify a group of allottees from seeking redressal before this Authority.

139. In light of the material placed on record comprising agreements, MOUs, registered deeds, and meeting minutes it is established that the members of the Complainant Association are allottees within the meaning of Section 2(d) of the RE(R&D) Act. The subsequent execution of the President's sale deed does not nullify locus standi, as his earlier MOU and payments already conferred upon him the status of an allottee.

140. Accordingly, this Authority holds that the Complainant Association, though unregistered, represents a genuine collective of allottees who have come forward with grievances concerning the project. In the spirit of the RE(R&D) Act, their standing cannot be denied. This Point is, therefore, answered in the affirmative.

Point No. 2: Whether Respondents Nos. 4 and 5 fall under the definition of a "Promoter" under Section 2(zk) of the Real Estate (Regulation and Development) Act, 2016?

141. The foremost issue for determination is whether Respondents Nos. 4 and 5, namely Smt. Harvinder Kaur and Smt. Mohini Chawla, who are the landowners, fall within the ambit of the definition of "promoter" under Section 2(zk) of the RE(R&D) Act.

142. The Complainant Association has vehemently contended that Respondents Nos. 4 and 5 are "promoters" within the meaning of Section 2(zk), inasmuch as they have entered into a Development Agreement-cum-General Power of Attorney dated 16.08.2018 with the Developer, under which they are entitled to 50% of the built-up area in lieu of land. The Complainants submit that such entitlement is not a passive receipt of consideration but part of a structured development arrangement which vests them with joint control, mutual obligations, and substantial say in project execution. This position is further fortified by the Addendum dated 10.04.2024, wherein Clauses (xii), (xiii), (xiv), and others categorically require the express consent of the landowners for sales, allocation of space, and leasing arrangements, thereby rendering them active participants in the project's execution. According to the Complainants, the breadth of involvement is such that Respondents Nos. 4 and 5 cannot escape the status of "co-promoters" and are jointly responsible for delays and non-completion.

143. On the contrary, Respondents Nos. 4 and 5 have denied this classification, asserting that they are mere landowners who parted with land in exchange for built-up area, without sharing in the sales, revenue, or decision-making. They rely on Clauses 5(b) and 13(c) of the 2018 Development Agreement and covenant (xxx) of the 2024 Addendum to claim that the Developer alone bears obligations towards allottees, while they themselves are in the position of "allottees" under Section 2(d). They further place reliance on judicial pronouncements, inter alia, Kerala High Court in *MSA 16/2024 (Pooja Constructions v. Kerala UranmaDevaswom Board)* and Patna High Court in *WP 15444/2021*, to contend that landowners receiving consideration in kind (i.e., built-up area) are consumers entitled to protection rather than promoters saddled with obligations.

144. It is pertinent, at this stage, to advert to the statutory definition. Section 2(zk) of the RE(R&D) Act defines "promoter" in the widest possible terms:

> *(zk) "promoter" means,— (i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees; or (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*
> *(iii) any development authority or any other public body in respect of allottees of— (a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the Government; or (b) plots owned by such authority or body or placed at their disposal by the Government, for the purpose of selling all or some of the apartments or plots; or (iv) an apex State level co-operative housing finance society and a primary co-operative housing society which constructs apartments or buildings for its Members or in respect of the allottees of such apartments or buildings; 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; or (vi) such other person who constructs any building or apartment for sale to the general public. 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 person, 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;*

145. The emphasis in the Explanation leaves no ambiguity: where landowners and developers jointly structure a project and share control and sale entitlements, both shall be treated as promoters, jointly liable for obligations.

146. In the present case, the 2018 Development Agreement and subsequent instruments, including allocation agreements of 2018, 2019, 2022, 2023, and the 2024 Addendum, do not depict Respondents Nos. 4 and 5 as passive landowners. Rather, they clearly vest significant powers in them, such as:

> *xii. Any further sale on floors 26,27,28,29 of Tower Al will require price verification and clearance by the Land Owners or their representative, explicitly in writing. The same is listed in column titled "Area Available for sale by SAS I Tower Pvt Ltd after Landowners price verification and clearance"*

xiii. As per the contract, the Developer is required to retain 18,04,825 Sq ft. Since it is becoming onerous for the Developer to retain as much area as the Land Owners are retaining, the Developer is allowed to bring 3-4 investors who can together, along with the Developer, retain the area which is required to be retained by the Developer as per the agreement. This relaxation can be agreed to between both parties based upon the credentials and commitment of such investors. This relaxation will require explicit written consent of the Landowners.

xiv. The Developer agrees that all Retail spaces and Mall areas allocable to the Developer in Annexure 2 and Annexure 4 shall remain mortgaged to the Land Owners until OC and will be governed by clause xxv in this document below

XV. The Parties agree that no part of the retail areas mentioned in Annexure 2 and the Mall as well as Retail areas mentioned in Annexure 4 can be sold or leased by either party without the explicit written consent of both parties. The Land Owners and the Developer will jointly let out these areas and any lease agreement will require consent of both parties.

xvi. The Developer confirms that the area being allocated to the Land owners in this document or area being kept as security/mortgaged to the land owners has neither been sold, nor been mortgaged to any other party (except to GHMC for regulatory requirements and this shall be duly got released upon OC by the Developer).

147. Such clauses unmistakably establish that Respondents Nos. 4 and 5 have retained substantial control in the development, allocation, and sale of project components.

148. The contention of Respondents Nos. 4 and 5 that a boilerplate clausestating that the Developer alone is responsible towards purchasers and regulatory authoritiesabsolves them of responsibility, cannot be accepted. This Authority is constrained to observe that contractual clauses contrary to the statutory mandate of the Act cannot override the express and inclusive definition of "promoter" under Section 2(zk). A self-serving recital cannot efface statutory obligations where the factual matrix reveals joint control and entitlement to commercial sale of a substantial portion of the project.

149. Further, documentary record on the Telangana RERA project registration portal itself discloses the names of Respondents Nos. 4 and 5 under the category "Landowners/Promoters", which negates their plea of being mere allottees. Moreover, the very area statement (Annexure 4, A-3) shows that substantial retail and mall space i.e The entire ground floor to 6th floor of Tower A along with with 7th floor of Tower A2 is held jointly and cannot be alienated without their explicit consent of both the parties.

150. The reliance placed by Respondents Nos. 4 and 5 on *Pooja Constructions* and other cases is wholly misplaced and distinguishable. In those cases, the landowners had no ongoing role in development or sale, and their consideration was limited to passive receipt of built-up area. Here, by contrast, the landowners' contractual veto powers over pricing, sales, leasing, mortgage, and investor substitution constitute active participation in project execution. This is squarely covered by the wide ambit of Section 2(zk) and its Explanation.

151. In this regard, reliance may be profitably placed on the judgment of the Hon'ble Bombay High Court in *Wadhwa Group Housing Pvt. Ltd. v. Vijay Choksi &Anr.*, Second Appeal (Stamp) No. 21842 of 2023, decided on 26.02.2024, wherein it was held:

> *18. Thus, definition of the term "Promoter" under Section 2(zk) of RERA is wide enough to include every person who is associated with construction of the building such as builder, coloniser, contractor, developer, estate developer or by any other name or even the one who claims to be acting as the holder of a power of attorney from the owner of the land. One of the principal objectives of RERA is to bring transparency in real estate sector and to protect the interests of the consumers in the real estate project. The term 'Promoter' has been so widely defined that it virtually includes every person associated with construction of the building. Thus, even a person who is merely an investor in the project alongwith the Promoter and who is entitled to benefit in the real estate project is also covered by definition of the term 'Promoter'. In the present case, I need not delve deeper into the enquiry as to whether Appellant is covered by the expression 'Promoter' or not. While registering the project as ongoing project under Section 3 of the RERA, Appellant's name has been included in the list of Promoters. Therefore, Appellant cannot run away from the fact that it is the promoter in respect of the project 'The Nest'. Explanation to Section 2(zk) makes all persons who construct or convert building into apartments or develop a plot for sale, as well as a person who sells apartments or plots to be promoters making them jointly liable as such for the functions and responsibilities specified under the Act, or the Rules and Regulations made thereunder. Thus, a person who does not actually construct or causes to be constructed a building but merely takes part in the joint venture and sells flats, becomes a Promoter. Appellant admits that it is entitled to a share in the joint venture in the constructed area, which it is entitled to sell. Thus, the Appellant is entitled to sell flats in the project and accept consideration for such sale. There is therefore no doubt to the position that, both Appellant as well as the second Respondent are Promoters and are jointly liable in respect of the responsibilities under the RERA and Rules and Regulations made thereunder. 19. In my view therefore, mere falling of flat in the share of the second Respondent under the Joint Development Agreement, would not excuse the Appellant from the responsibilities and liabilities under the RERA, Rules and Regulations made thereunder qua that flat. RERA does not demarcate or restrict liabilities of different promoters in different areas. The liability is joint for all purposes under the Act, Rules and Regulations.*

152. Applying the above ratio, it is evident that Respondents Nos. 4 and 5, being vested with significant rights and control, and entitled to 50% of the developed area, which is undeniably

intended for sale in the open market, cannot camouflage themselves as allottees. Their participation squarely attracts the definition of "promoter", and their liabilities are joint with the Developer.

153. Accordingly, this Authority finds that Respondents Nos. 4 and 5 do indeed fall within the definition of "promoter" under Section 2(zk) of the RE(R&D) Act and are jointly liable along with the Developer for the obligations of the project. This point is answered in the affirmative.

Point Nos. 3 & 4 (Considered Together): Whether (3) the Complainants are entitled to the reliefs sought; and (4) a forensic audit, as prayed by Respondents Nos. 4 and 5 and adverted to in the suo motu proceedings, is warranted at this stage:

154. This Authority, upon careful consideration of the pleadings, submissions, and record, finds that the issues arising under Points 3 and 4 are inextricably linked. The Complainants seek directions primarily aimed at neutralising certain restrictive clauses in order to facilitate completion of the project. On the other hand, Respondents Nos. 4 and 5, being landowners, seek the ordering of a forensic audit under Section 35(1) of the RE(R&D) Act, alleging diversion and misuse, and thereby, in effect, pressing for a reconfiguration of control. Both sets of prayers ultimately concern the same statutory objective ensuring timely completion of the project and protection of interests of allottees at large in the said project. It is, therefore, appropriate to consider these two points together to mould a remedy that is principled, proportionate, and consistent with the mandate of the Real Estate (Regulation and Development) Act, 2016

155. The Complainants' prayers are for directions to: (a) relax/neutralise the operation of Clauses xii–xiv of the Addendum dated 10.04.2024, to the extent they impede sales and funding; (b) mandate an escrow mechanism to be jointly operated by nominees of the Developer, Landowners, and the Association of Allottees; (c) fix a time-bound completion programme; and (d) grant such other orders as are necessary to secure completion. They submit that non-cooperation by the landowners, particularly their withholding of sale consents under the said clauses, has paralysed progress despite the project being 75–85% physically complete, thereby jeopardising the statutory occupancy deadline and the investments of more than 400 allottees.

156. The Landowners (Respondents Nos. 4 and 5), while resisting the reliefs sought, have urged that a forensic audit be undertaken under Section 35(1) of the RE(R&D) Act. In the course of their submissions, they have also advanced allegations which formed the basis of the present Suo Motu cognizance taken by this Authority, namely, siphoning and diversion of funds, undervalued sales, pre-RERA transactions, and the overall unviability of the project. They have further prayed for the imposition of stringent regulatory controls, even to the extent of seeking substitution of the developer. It is their categorical stand that they share no privity of contract with the allottees, and they justify Clauses xii–xiv as being necessary safeguards against diversion and misuse.

157. The Developer (Respondents Nos. 1–2) supports the relaxation of Clauses xii–xiv and the creation of an dedicated account mechanism. They deny allegations of siphoning or diversion and attribute the delays substantially to the conduct of the landowners, including multiple complaints, FIRs, and withholding of sale consents. They express readiness to complete the project within a defined timeline under the oversight of this Authority.

158. As has already been determined by this Authority under Point No. 2 of this order, both the Developer and the Landowners fall within the definition of "promoter" under the RE(R&D) Act. Accordingly, their obligations are joint and several, and disputes inter se cannot be permitted to eclipse their paramount statutory duty owed to the allottees.

159. The project (TG RERA No. P02400000878) presently stands at approximately 75–85% physical completion as submitted by the complainants. Progress has slowed and eventually stalled since late 2024, largely on account of escalating inter-se disputes between the co-promoters, including disagreements regarding sales, pricing, investor retention, and control of retail/mall areas.

160. Clauses xii–xiv of the Addendum dated 10.04.2024, on their face and in practical operation, confer veto or consent powers to the landowners over (i) pricing and sales of specified floors; (ii) introduction of investors to meet retention requirements; and (iii) dealing with retail/mall areas by way of mortgage, lease, or sale. The rigid insistence on these controls, without objective timelines or transparent criteria, effectively freezes monetisation and constrains the cash flow required for completing the balance works.

161. The allegations of siphoning and diversion pressed by the landowners are undoubtedly serious; however, they presently rest substantially on inferential material such as price differentials, selected sale instances, and internal correspondence. No contemporaneous

statutory audit, independent forensic report, or allottee complaint supported by primary evidence has been placed on record. The disputed registrations referred to by the landowners are stated to have been cancelled or rectified by the Developers. It is also noted that parallel criminal proceedings are pending before the competent fora.

162. Conversely, the collective interest of over 400 allottees, who have invested substantial sums and seek timely possession, demands immediate resumption and completion. Any measure that further stalls construction, unless compelled by overwhelming necessity, would run counter to the very object of the RE(R&D) Act.

163. It is settled law that while this Authority does not ordinarily rewrite private bargains, it is nevertheless empowered indeed duty-bound to mould reliefs where necessary to secure statutory compliance and to safeguard the overriding public interest embodied in the Real Estate (Regulation and Development) Act, 2016. Where a contractual clause, though valid inter se between private parties, frustrates the statutory objective of timely completion, or unduly impedes the statutory scheme of ring-fenced funding and transparency, this Authority must intervene.

164. The preamble of the Real Estate (Regulation and Development) Act, 2016 records its legislative aim to protect the interests of consumers in the real estate sector, to promote transparency and efficiency, and to ensure timely completion. The RE(R&D) Act is a beneficial, consumer-centric legislation. Its provisions must therefore be construed purposively, and its protective canopy must always prevail over private arrangements that dilute or undermine its essence. This Authority reiterates that promoters' contracts cannot be allowed to override or supersede the statutory rights of allottees; rather, such contracts must yield to the mandate of the RE(R&D) Act.

165. In the present case, Clauses xii–xiv of the Addendum dated 10.04.2024, while ostensibly framed as protective safeguards in favour of the landowners, have in effect become restrictive bottlenecks. At a stage where the project stands at 75–85% physical completion, cash flow assumes paramount importance. A rigid insistence on prior discretionary consents, unaccompanied by timelines or deemed-consent mechanisms, has paralysed monetisation and imperilled completion. The statutory objectives under Sections 11, 18 and 19 of the RE(R&D) Act cannot be subordinated to such inflexible vetoes.

166. The Complainants' prayer for a dedicated account mechanism is consistent with Section 4(2)(l)(D) of the RE(R&D) Act. A jointly-operated, disclosure-intensive Project Dedicated

Account (PDA), with receipts ring-fenced exclusively for the project and withdrawals permitted only against Engineer/Architect/Chartered Accountant certifications, constitutes the most proportionate and effective mechanism. It strikes the balance between safeguarding against diversion, restoring trust, ensuring transparency, and securing funds for construction.

167. Time-bound completion is the central remedy contemplated under the RE(R&D) Act. Given the substantial physical progress, a strict milestone-based completion schedule, under independent monitoring, will best secure the allottees' statutory rights under Sections 18 and 19.

168. Section 35(1) of the RE(R&D) Act undoubtedly empowers this Authority to call for information and conduct such inquiries as may be deemed necessary in the public interest. However, it is a settled principle that the exercise of such power must be guided by circumstances warranting intervention, and not in a reflexive or mechanical manner.

169. In the present case, directing a full-scale forensic audit at this juncture would have the inevitable consequence of stalling ongoing construction activity, compelling sequestration of records, and depressing the marketability of the project. Such a course would, paradoxically, aggravate the very prejudice which this Authority is mandated to prevent, namely delay in completion and delivery of units to the allottees.

170. This Authority cannot lose sight of the fact that the number of allottees involved in this project is significantly high. The statutory intent underlying the RE(R&D) Act framework, as recognised by the Hon'ble Supreme Court in *Newtech Promoters and Developers Pvt. Ltd. v. State of UP* (2021), is the protection of allottees and the safeguarding of their legitimate expectations. Accordingly, this Authority cannot permit inter se disputes between promoters, or an overbroad exercise of regulatory power, to override the paramount interest and rights of the allottees.

171. Thus, while the power under Section 35(1) remains intact and may be invoked if circumstances disclose grave financial impropriety, at this stage, ordering a forensic audit would run contrary to the preamble objective of the Act, which is to ensure completion of the project in a time-bound manner and to secure the interest of consumers.

172. *In view of:*

(i) the absence of any primary, independent audit material establishing diversion;

(ii) the near-completion status of the project;

(iii) the availability of less intrusive yet equally efficacious safeguards (dedication, certifications, disclosures, independent monitoring); and

(iv) the fact that allegations of diversion are already seized of by other fora

(v) It emerges that the suo motu proceedings in the present case are founded primarily upon the grievance of the landowner, and not on any allottee-centric interest

173. This Authority is of the considered view that a forensic audit is not warranted at this stage. The public interest balance strongly favours controlled completion under a tightly monitored regime. Liberty, however, is reserved to revisit this issue and order a limited forensic review if credible, objective evidence of non-compliance emerges.

174. Accordingly, invoking its powers under Sections 34 and 37, read with Sections 4(2)(l)(D), 11, and 18 of the RE(R&D) Act, this Authority hereby directs as follows:

1) Formation of Association of Allottees

a. Pursuant to Section 11(4)(e) of the RE(R&D) Act, the promoters (including Respondents Nos. 1, 2, 3, 4, and 5) shall forthwith take all necessary steps to facilitate the formation and registration of an Association of Allottees (AoA) comprising the allottees of the project. Respondent No. 1 (the Developer) shall ensure compliance with this direction by convening a meeting of allottees within 30 days from the date of this order, providing necessary documentation, and assisting in the registration process under the applicable laws. Non compliance of section 11(4)(e) of RE(R&D) Act, this Authority shall take action under section 63 of the said Act.

2) *Existing Project Separate Account (PSA) — Ring-fencing of Receipts*

a. The Respondents shall ensure that all future receipts from sales, leases, or other monetisation of the project inventory shall mandatorily be credited into the RERA Existing Separate Account (70%) to be operated exclusively for this project as per Section 4(2)(l)(D) of RE (R& D) Act,2016.

b. The Respondents should adhere as stipulated in the Rules that Withdrawals from the RERA Separate Account (70%) shall be permitted only against a three-tier certification by an Project Engineer, Project Architect, and Chartered Accountant, strictly in proportion to the percentage of completion, in the manner contemplated by Section 4(2)(l)(D) and the applicable Rules.

c. Quarterly bank statements along with QPR's and Statement on Payments and Receipts made during that particular quarter ended to be furnished to the TG RERA Authority.

d. Utilisation certificates and a statement of sources and uses shall be circulated to the registered AoA.

3) *Calibrated Relaxation of Clauses xii–xiv of Addendum dated 10.04.2024*

The requirement of prior consent/veto for sales of specified floors and for investor retention shall be substituted with the following objective and time-bound protocol:

a) The Developer may proceed with sales at or above the said floor price upon issuing seven (7) working days' notice to the Landowners and the AoA;

b) Deemed consent shall operate if no written objection, supported by reasons, is received within the said seven (7) working days;

c) Any objection shall be confined to demonstrable instances of sub-floor pricing or encumbrance; generic objections shall not arrest sales.

d) The embargo on dealing with retail/mall areas shall stand modified to permit lease or sale, subject to all proceeds being routed through the PSA.

e) Any security or mortgage created in favour of the Landowners shall stand subordinated to the completion of the project and to the rights of the allottees. All proceeds shall mandatorily be routed through the PSA.

4) Completion Programme:

a. The Developer shall, within twenty-one (21) days, submit before this Authority a Detailed Completion Plan (DCP) delineating pragmatic milestones, specific works, and projected cash-flow requirements necessary for completion of the project.

b. The Developer shall, within the same period of twenty-one (21) days, also submit before this Authority a comprehensive Financial Flow Statement, setting out in unequivocal terms the sources of proposed funds and the timeline within which such financial resources are to be brought in, so as to ensure time-bound completion of the project.

c. The Developer shall further ensure that the Association of Allottees is duly informed of the same within twenty-one (21) days.

5) Disclosures and Transparency

a. The Promoter(s) shall mandatorily upload on the RERA portal quarterly progress reports, and in addition thereto, monthly update reports duly supported with photographs and requisite certifications. Such monthly reports are directed to be furnished for the purpose of monitoring the timely completion of the project, both to this Authority as well as to the registered Association of Allottees.

b. The Promoter(s) shall maintain a dedicated helpline number and an email ID exclusively for allottee queries, and ensure that responses thereto are provided within seven (7) working days.

6) Consequences of Non-Compliance

a. In the event of (i) a material variance exceeding fifteen percent (15%) between the certified physical progress and the corresponding financial utilisation, or (ii) default in three consecutive project milestones without sufficient cause, this Authority may:

i. Direct a limited-scope forensic review. and/or

ii. Issue notice under Section 7 of the Act for revocation of registration, with consequential recourse to measures under Section 8 in consultation with the registered Association of Allottees.

7) Inter-se Disputes Outside the Present Adjudication

a. Purely inter-se disputes between promoters (including issues of title, settlements, indemnities, or internal allocations) are not adjudicated herein. The parties are at liberty to pursue appropriate remedies before competent fora, but such disputes shall not impede compliance with the present directions or progress at the site.

b. Any pending criminal investigation shall proceed strictly in accordance with law, and nothing in this order shall be construed as an expression on criminal culpability.

8) Prayer for Change of Developer

a) The Landowners have sought substitution of the Developer. However, in the absence of a duly constituted and registered Association of Allottees invoking the statutory process, and further in the absence of any factual foundation to warrant recourse to Sections 7, 8, or 15 of the RE(R&D) Act, the prayer for change of Developer is held to be premature and is accordingly declined.

b) Liberty is, however, preserved to the AoA to invoke such remedies in future, should the contingencies envisaged or under the RE(R&D) Act otherwise arise.

175. In conclusion, this Authority holds that while the allegations of diversion warrant vigilance, the same are at a premature stage. The paramount statutory obligation remains the timely and transparent completion of the project. It is further noted that allegations of pre-sales have been made; however, in the absence of any agreement of sale, allotment letter, or memorandum of understanding for sale placed on record, this Authority is unable to arrive at a finding of violation on that count. Accordingly, Clauses xii–xiv of the Addendum dated 10.04.2024 stand calibrated as directed herein; a Project Dedicated Account and monitoring regime are instituted; and both the Developer and the Landowners,

already held to be 'Promoters' within the meaning of the RE(R&D) Act, are directed to act in concert to secure completion within the committed timeline.

I. Directions of the Authority:

176. In view of the findings on the points for determination, as detailed in the observations above, and pursuant to the interim order dated 05.03.2025 in Complaint No. 71/2025 and Suo Motu Proceedings No. 208/2025, this Authority, invoking its powers under Sections 34 and 37, read with Sections 4(2)(l)(D), 11, and 18 of the Real Estate (Regulation and Development) Act, 2016, hereby issues the following final directions to ensure timely completion of the SAS I Tower Project (TG RERA No. P02400000878) and to safeguard the interests of allottees:

a) This Authority affirms that the Complainant Association does have *locus standi* to maintain and prosecute the present complaint under Section 31 of the RE(R&D) Act read with Rule 34 of the Telangana Rules. Therefore, answered in the affirmative.

b) This Authority holds that Respondents Nos. 4 and 5 do fall within the definition of "promoter" under Section 2(zk) of the RE(R&D) Act. Their liability is joint and inseverable with that of the Developer for the functions, duties, and obligations mandated by the statute. Therefore, answered in the affirmative

c) Pursuant to Section 11(4)(e) of the Act, the Promoters (including Respondents Nos. 1 to 5) shall forthwith take all necessary steps to facilitate the formation and registration of an Association of Allottees (AoA) comprising the allottees of the project. Respondent No. 1 (the Developer) shall ensure compliance by convening a meeting of allottees within thirty (30) days from the date of this Order, providing requisite documentation, and assisting in the registration process under applicable laws.

d) ***Project Existing Separate Account (PSA) — Ring-fencing of Receipts***

   (i) All future receipts from sales, leases, or other monetisation of project inventory shall be mandatorily deposited into the RERA Project Separate Account (70%), to be operated exclusively for this project, in terms of Section 4(2)(l)(D) of the Act.

   (ii) Withdrawals from the said account shall be permitted only against a three-tier certification by the Project Engineer, Project Architect, and Chartered Accountant, strictly in proportion to the percentage of completion, as contemplated under the Act and Rules.

   (iii) The Respondents shall furnish to this Authority quarterly bank statements together with QPRs and a statement of receipts and payments for the relevant quarter.

   (iv) Utilisation certificates and a statement of sources and uses shall be circulated to the registered AoA.

e) xii–xiv of Addendum dated 10.04.2024 (Calibrated Relaxation):

1. The requirement of prior consent/veto for sales of specified floors and for investor retention is substituted with the following protocol:
   (i) The Developer may proceed with sales at or above the stipulated floor price upon issuing seven (7) working days' notice to the Landowners and the AoA.
   (ii) Deemed consent shall operate if no written objection, supported by reasons, is received within the said seven (7) working days.
   (iii) Objections shall be confined to demonstrable instances of sub-floor pricing or encumbrance; generic objections shall not impede sales.
   (iv) The embargo on dealing with retail/mall areas stands modified to permit lease or sale, subject to: routing of all proceeds through the Existing Separate Bank Account;
   (v) Any security or mortgage created in favour of the Landowners shall stand subordinated to the completion of the project and to the rights of the allottees. All proceeds shall mandatorily be routed through the PSA.

f) Completion Programme:

(i) The Developer shall, within twenty-one (21) days, submit before this Authority a Detailed Completion Plan (DCP) delineating pragmatic milestones, specific works, and projected cash-flow requirements necessary for completion.
(ii) Revised completion timelines shall be determined on the basis of the said DCP.
(iii) The Respondent–Developer shall, within the same period of twenty-one (21) days, submit before this Authority a comprehensive Financial Flow Statement, setting out in unequivocal terms the sources of proposed funds, the mechanism of infusion, and the timeline within which such financial resources shall be brought in, so as to ensure time-bound completion of the project
(iv) The Developer shall ensure that the Association of Allottees is duly informed of the revised timelines within twenty-one (21) days.

g) Disclosures & Transparency:

(i) The Promoters shall mandatorily upload on the RERA portal quarterly progress reports and, in addition, monthly update reports duly supported with photographs and requisite certifications. Such monthly reports shall also be furnished to this Authority and to the registered AoA.

(ii) The Promoters shall maintain a dedicated helpline number and email ID exclusively for allottee queries, and shall provide responses within seven (7) working days.

h) Consequences of Non-Compliance:

(i) In the event of:

A. A material variance exceeding fifteen percent (15%) between the certified physical progress and corresponding financial utilisation; or

B. Default in three consecutive project milestones without sufficient cause,

C. this Authority may:

I. Direct a limited-scope forensic review.

II. Issue notice under Section 7 of the RE(R&D) Act for revocation of registration, with consequential recourse to Section 8 measures, in consultation with the registered AoA.

176. This Authority records with concern that the recurring disputes between the landowners and the developer are obstructing the progress of the project. Such discord, if permitted to persist, defeats the very object of the Real Estate (Regulation and Development) Act, 2016, which is to secure the interests of allottees. The RE(R&D) Act does not countenance a situation where innocent allottees, who have invested their lifetime savings & hard earned monies, are made to bear the brunt of internal conflicts. The overriding statutory obligation is the timely and transparent completion of the project, and neither landowners nor the developer can be allowed to frustrate this mandate. Both parties are, therefore, cautioned to resolve their disputes through lawful means without impeding the progress of the project, failing which this Authority shall not hesitate to invoke its powers under the RE(R&D) Act.

177. The parties shall bear their own costs.

178. It is further made clear that failure to comply with the directions contained in this Order shall attract the consequences stipulated under Section 63 of the RE(R&D) Act.

179. In view of the above findings and directions, the present complaint stands disposed of.

Sd-	***Sd-***	***Sd-***
Sri. K. Srinivas Rao,	**Sri. Laxmi NaryanaJannu,**	**Dr. N. Satyanarayana, IAS (Retd.),**
Hon'ble Member	**Hon'ble Member**	**Hon'ble Chairperson**
TG RERA	**TG RERA**	**TG RERA**