

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

Date: 31st July, 2026

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

COMPLAINT NO. 283/2025/TGRERA

Vishwananth Reddy Pasham

*(R/o- Plot #68, Phase 3, Road # 3 Mythrinagar,
Madinaguda Hyderabad-500049.)*

...Complainant

Versus

- 1. Rakshit Agrawal, Designated Partner in M/s SKA Realtors LLP @ CSK Developers**
*(R/o- US Residency Palace Colony,
Basheerbagh, Hyderabad-500063,
Telangana State.)*
- 2. Madhirala Rosi Reddy (Partner, M/s Fortune 99 Homes, MD, M/s Lavoura Developers Pvt. Ltd. & Hyderabad Reality Capitals)**
*(Office at Hyderabad Realty Capitals, Plot # 127, 4th floor,
Trendz Orbit Gachibowli, Hyderabad 500522)*
- 3. Yella Veeranjaneeya Reddy alias Anji Reddy**
*(Office at Hyderabad Realty Capitals, Plot # 127, 4th floor,
Trendz Orbit Gachibowli, Hyderabad 500522)*

...Respondents

The present matter filed by the Complainants mentioned herein-above came up for hearing before this Authority in the presence of the Complainant, and the Counsel of Respondent no. 1 Adv. Jella Vishnupriya, while no one was present on behalf of Respondent 2 and 3. Upon hearing the submissions of the Complainant and Respondent, this Authority proceeds to pass the following **ORDER:**

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

A. Brief facts of the Case as per Form M filed by Complainant

3. It was submitted by the Complainant that a formal request for action under the RERA Act was being initiated regarding the breach of a Sale Agreement by the Developer and the subsequent non-registration by the Landlord, despite the realization of full payment for a plot in the "Amber Homes" project.

4. Detailing the parties involved in the transaction, it was placed on record that the project, named "Amber Homes," was an associate of Lavoura Developers Private Ltd. The Landowner was identified as Mr. Rakshit Agarwal, son of Mr. Suresh Kumar Agarwal, acting as the Designated Partner in M/s. SKA Realtors LLP (also referred to as CSK Developers). The Developer was identified as Mr. Madhirala Rosi Reddy, son of the late Poli Reddy, Managing Director of M/s Fortune99 Homes, also associated with M/s. Lavoura Developers Private Limited and Hyderabad Reality Capitals. The Real Estate Agent who introduced the project was identified as Mr. Yella Veeranjaneya Reddy, also known as Anji Reddy, acting on behalf of Fortune99 Homes, Lavoura Developers Private Limited, and Hyderabad Reality Capitals.

5. The Complainant averred that the said real estate agent introduced the project and, based on his representations which painted a promising picture of the venture's credibility, the Complainant was convinced and expressed a willingness to purchase a plot within the layout. Pursuant to this, the Complainant entered into an initial Sale Agreement dated March 27, 2021, with Fortune 99 Homes, represented by its Partner, Mr. Madhirala Rosi Reddy. The agreement pertained to the purchase of Plot No. 173, initially stated as admeasuring 230 square yards, situated in Survey Nos. 50/97, 50/98, 50/99, 50/100, 50/101, 50/102, and 477, located at the "Amber Homes" layout in Mucherla Village, Kandukur Mandal, Rangareddy District, Telangana.

6. It was submitted that at the time of executing the initial agreement, the Complainant paid an advance amount of Rs. 10,00,000/- towards the total consideration. The rate was initially agreed upon at Rs. 10,000/- per square yard, and it was mutually understood that the balance amount of Rs. 13,00,000/- would be paid upon the developer obtaining the necessary HMDA approvals. The Complainant highlighted a critical misrepresentation, noting that per the Sale Agreement, the sellers claimed to be the absolute owners of the property. At the time of the initial sale agreement in March 2021, Mr. Rosi Reddy represented that Fortune 99 Homes Pvt Ltd were the landlords. However, this assertion was proven to be false and misleading, as

during the registration process, Mr. Rosi Reddy unexpectedly asked the Complainant to pay the actual landlord's share, which came as a complete surprise.

7. It was further averred that at the time of final payment, the sellers unilaterally and abruptly increased the price to Rs. 11,357/- per square yard. Despite this abrupt price hike, the Complainant proceeded to make the full and final payment. The subject property, confirmed as part of an HMDA-approved layout, was finalized as Plot No. 173, admeasuring 239.32 square yards, with specific boundaries defined as North: Plot No. 174, South: Greenery Plantations, East: 60 Feet Road, and West: Plot No. 196.

8. The Complainant provided a detailed breakdown of the total sale consideration of Rs. 27,17,960/-, calculated for 239.32 square yards at the hiked rate of Rs. 11,357/- per square yard. This total was divided into two components. The "Registered value (Official)" was set at Rs. 3,000/- per square yard, amounting to Rs. 7,17,960/-. This amount was paid in favor of the landlord through an online transfer on March 25, 2024, as per the instructions of M/s Lavora Developers. The "Market Value Collection (Unofficial)" was set at Rs. 8,357/- per square yard, amounting to Rs. 20,00,000/-. This unofficial component was paid in two installments: Rs. 10,00,000/- through Cheque No. 181795 dated March 30, 2021, drawn on ICICI Bank, Alwyn Colony, Miyapur, and another Rs. 10,00,000/- through an online transfer on December 18, 2023.

9. Following the realization of the full and final payment, it was placed on record that another Sale Agreement was executed on April 19, 2024. However, despite the Complainant having cleared the full payment, the landowner, SKA Realtors LLP, failed to execute the registration of the said plot in favor of the Complainant.

10. The Complainant detailed a continuous pattern of unfulfilled written promises and inaction by the Developer and the Landlord. It was submitted that a legal notice was issued on September 6, 2024, addressed to the Landowner, Agent, and Developer, requesting the registration of the plot. None of the parties responded to the advocate's notice, demonstrating a blatant disregard for legal communication. Subsequently, Mr. Rosi Reddy sent WhatsApp messages on September 13, 2024, but failed to execute the registration commitment between September 25 and September 30. Again, on September 27, 2024, a commitment was provided via WhatsApp assuring that registration would occur during the auspicious occasion of Dussera; however, these written promises were not honored.

11. Faced with continuous inaction, the Complainant made several personal follow-ups. As a result, on November 30, 2024, Mr. Rosi Reddy issued a letter on the letterhead of Fortune 99 Homes addressed to SKA Realtors LLP, confirming the commitment to register the plot and assuring that registration would be communicated by December 16, 2024. Despite this, both Mr. Rosi Reddy and Mr. Rakshit of SKA Realtors LLP failed to uphold the assurance, repeatedly postponing the registration under various pretexts. Upon continued insistence and formal demand, a final written deadline was provided by Mr. Rosi Reddy on January 4, 2025, stating that the plot would be registered on or before January 31, 2025. The Complainant averred that this marked the fifth failed commitment, with no registration carried out to date.

12. It was further alleged that during every meeting with Mr. Rosi Reddy, the Complainant was consistently pressured and coerced either to purchase an additional plot or to bring in a new customer willing to pay 50% upfront in order for his own plot registration to proceed. The Complainant characterized this recurring demand as a calculated strategy to delay or deny rightful registrations, representing manipulation, deceit, and deeply concerning unfair and unethical practices.

13. Following the complete failure to uphold the five written commitments, the Complainant requested the return of the paid "unofficial" amount of Rs. 20 Lakhs. In response, Mr. Rosi Reddy agreed and issued two bank cheques of Rs. 10 Lakhs each, totaling Rs. 20 Lakhs, dated March 5, 2025. The Complainant submitted that after waiting for 15 days from the date mentioned, the cheques were presented to the bank on March 20, 2025. Unfortunately, the cheques were dishonored, reflecting yet another instance of Mr. Rosi Reddy failing to uphold his written and financial commitments. Copies of the bank's cheque return memos were placed on record alongside the written commitments.

14. In light of the egregious facts presented, the Complainant requested immediate and appropriate action to ensure the registration of the plot in his name. It was prayed that the parties be held responsible and accountable for their misleading representations, breach of agreement, and the subsequent damages caused by the initiation of legal proceedings for the recovery of dues.

B. Relief(s) Sought

15. Accordingly, the Complainant sought the following relief(s):

- i. *Direct the Respondents to forthwith register/open the sale deed and cause registration of Plot No. 173 (239.32 Sq. Yards) in favour of the Applicant within a period specified by this Hon'ble Authority (for example, within 30 days) and to produce evidence of registration before this Authority; OR*
- ii. *In the alternative, direct the Respondents to refund to the Applicant the entire amount paid by the Applicant i.e. Rs.27,17,960/- (Rupees Twenty-Seven Lakhs Seventeen Thousand Nine Hundred Sixty only) along with interest at the rate applicable under Section 18 of the RERA Act (or such other rate as this Hon'ble Authority may deem fit) from the respective dates of payment till the date of actual payment, together with costs, compensation and penalty as this Hon'ble Authority may deem fit;*

AND/OR

- iii. *Restrain the Respondents from transferring, alienating, dealing with the said plot or creating any third-party rights in respect thereof till disposal of the Complaint;*
AND/OR

- iv. *Pass such other and further order(s) as this Hon'ble Authority may deem fit and proper in the facts and circumstances of the case.*

C. Counter filed by Respondent no. 1

16. The Respondent No.1 respectfully submitted that the project titled “Amber Homes” had been conceived, initiated, developed, and promoted much prior to the enforcement of the Real Estate (Regulation and Development) Act, 2016, which came into force on 01.05.2017. All activities relating to layout formation, development permissions, and preliminary marketing had been undertaken prior to the commencement of the RERA regime. Consequently, the project was not registered under RERA because the Act was not in force at the relevant time.

17. The Respondent No.1 submitted that the company had acquired only the unsold plots situated in Survey Nos. 50/97, 50/98, 50/99, 50/100, 50/101, 50/102, and 477 of Mucherla Village, Kandukur Mandal, Ranga Reddy District, from the original layout owners. The said layout had been duly approved by the Gram Panchayat on 03.06.2007 by Sarpanch of Mucherla Village.

18. It was submitted that the acquisition of the unsold plots was effected through a duly executed and registered Development Agreement-cum-General Power of Attorney (Doc. No. 11686/2022), followed by a registered Supplementary Deed (Doc. No. 19473/2023) confirming and ratifying the said arrangement. By virtue of these registered documents, M/s. SKA Realtors Ltd. had been legally entitled to undertake development activities and deal with the said plots strictly in accordance with the rights conferred thereunder.

19. The Respondent No.1 further submitted that several plots in the layout had been sold much prior to the company's acquisition of the unsold plots and that the Respondent had no role, involvement, or responsibility whatsoever in any such prior transactions. The Respondent had at all times acted bona fide and in conformity with applicable legal provisions.

20. The Respondent No.1 submitted that, in accordance with the Layout Regularization Scheme Proceedings No. 311/plg/SHZ/HMDA/2023 dated 04.08.2023, the company had duly obtained LRS approval for the plots acquired by it after following the prescribed procedure and upon payment of requisite fees. The Respondent clarified that it was only reselling plots lawfully acquired by it and duly regularized under the LRS.

21. The Respondent No.1 submitted that it had come to light that one Mr. Rosi Reddy, though engaged by the company for limited and specific purposes, had acted far beyond the scope of his authority. The said individual had falsely represented himself as the landowner and had entered into unauthorized dealings with certain individuals, including Mr. Vishwanath Reddy, by collecting monies for his personal gain and thereafter absconding. These acts had been committed without the knowledge, consent, or approval of the Respondent and were purely personal, fraudulent, and unauthorized in nature.

22. The Respondent categorically submitted that it was neither legally nor financially liable for the unlawful acts of Mr. Rosi Reddy, as the said acts were committed outside the scope of any authority, if any, conferred upon him. It was submitted that an agent is personally liable for his own fraudulent misrepresentations and that any aggrieved party must pursue remedies directly against such agent.

23. The Respondent No.1 submitted that Mr Rosi Reddy had misrepresented to purchasers at the site that he was the owner of the land. Upon the purchasers realizing that M/s. SKA Realtors Ltd. was the true and lawful owner, Mr. Vishwanath Reddy had paid an amount of ₹7,00,000/- directly to the Respondent. Prior thereto, Mr. Rosi Reddy had independently

collected ₹20,00,000/- from Mr. Vishwanath Reddy without the Respondent's knowledge or involvement.

24. The Respondent No.1 submitted that the company had at all times acted in good faith and had been ready and willing to register the subject plot in favour of the complainant upon receipt of the full sale consideration. The Respondent reiterated that the amount of ₹20,00,000/- had been paid exclusively to Mr. Rosi Reddy on account of his fraudulent misrepresentation and that the Respondent had no privity of contract or transaction in respect thereof.

25. The Respondent No.1 further submitted that Mr. Rosi Reddy had absconded after collecting monies from multiple individuals and that his actions had adversely affected several real estate entities. It was submitted that after criminal and legal proceedings were initiated against him, he had shut down his business operations and absconded.

26. The Respondent categorically denied having received any amount of ₹20,00,000/- or any other sum from Mr. Rosi Reddy. The Respondent submitted that any such amount had been directly paid by Mr. Vishwanath Reddy to Mr. Rosi Reddy and that the Respondent had no concern or involvement in the said transaction.

27. The Respondent No.1 submitted that despite repeated efforts made in good faith to resolve the issue and proceed with registration of the plot, the complainant had remained unresponsive and unavailable. The Respondent had patiently awaited resolution and had never acted to the prejudice of any bona fide purchaser.

28. The Respondent emphatically denied the existence of any agency, partnership, or legal relationship with Mr. Rosi Reddy in respect of the impugned transactions. Any representations made by him had been unauthorized and fraudulent, and the Respondent expressly disclaimed all liability arising therefrom. Any claim arising out of his conduct was required to be pursued solely against him.

29. The Respondent further submitted that it had consistently maintained the highest standards of integrity, transparency, and ethical business practices and had successfully delivered several projects over the years, thereby safeguarding the trust and interests of its customers.

D. Reply to Show Cause Notice filed by Respondent no. 1

30. A reply to the show cause notice was filed on behalf of the Respondent company. At the outset, it was brought to the kind notice of the Authority that the company had acquired unsold plots from the original layout owners. It was submitted that the said plots were situated in Survey Nos. 50/97, 50/98, 50/99, 50/100, 50/101, 50/102, and 477 at Mucherla Village, Kandukur Mandal, Ranga Reddy District. The Respondent placed on record that this layout was originally approved by the Gram Panchayat, vide a layout approval dated 03-06-2007, which was approved by the Sarpanch, Grama Sachivalayam, Mucherla Village.

31. It was further brought to the Authority's notice that many plots within the said layout had already been sold to third parties well before the Respondent company purchased the remaining unsold plots from the layout owners.

32. Detailing the subsequent actions taken, the Respondent averred that based on the provisions of the Layout Regularization Scheme (LRS) of Telangana, the company had obtained LRS specifically for the plots it had acquired. It was submitted that this regularization was achieved by duly following the prescribed procedures and upon the full payment of the requisite LRS fees. The Respondent clarified that, presently, the company was solely engaged in the activity of reselling those specific plots that it had acquired from the layout owners.

33. Addressing the issue of statutory registration, the Respondent contended that since the layout was originally sanctioned in the year 2007, it might not be eligible or mandated for registration under the Real Estate (Regulation and Development) Act (RERA). It was reiterated that the company's involvement was strictly limited to purchasing the unsold plots of the old layout, duly obtaining the LRS for the same, and subsequently selling such plots.

34. In conclusion, the Respondent affirmed a firm commitment to follow all the norms and procedures established by the government, and respectfully requested the Authority to advise them accordingly in the matter.

D. Points for Consideration

35. Upon a careful perusal of the record and the submissions advanced by the parties, oral as well as written, this Authority is of the view that the following points arise for determination in the present complaint:

- I. Whether Respondent No. 1, M/s. SKA Realtors LLP represented by its Designated Partner Sri Rakshit Agrawal, has violated Section 3 of the Real Estate (Regulation and Development) Act, 2016 by selling and executing sale transactions in respect of plots in the project "Amber Homes" situated at Mucherla Village, Kandukur Mandal, Ranga Reddy District, without obtaining mandatory prior registration of the said project with this Authority?
- II. Whether M/s Fortune 99 Homes, M/s Lavoura Developers Pvt. Ltd. & Hyderabad Reality Capitals have violated the provisions of the RE (R&D) Act, 2016?
- III. Whether the Complainant is entitled to the reliefs sought? If so, to what extent?

E. Observations of the Authority

Point I

36. This Authority proceeds to examine whether Respondent No. 1, M/s. SKA Realtors LLP, violated Section 3 of the Real Estate (Regulation and Development) Act, 2016 by selling and executing sale transactions in respect of plots in the project "Amber Homes" without obtaining prior registration of the said project with this Authority.

37. To fully appreciate the statutory mandate, it is imperative to refer to Section 3 of the RE (R&D) Act, 2016, which dictates the necessity of registration and reads as follows:

“3. Prior registration of real estate project with Real Estate Regulatory Authority. —

(1) No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act:

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

Provided further that if the Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but with the requisite permission of the local authority, it may, by order, direct the promoter of such project to register with

the Authority, and the provisions of this Act or the rules and regulations made thereunder, shall apply to such projects from that stage of registration.

(2) Notwithstanding anything contained in sub-section (1), no registration of the real estate project shall be required—

(a) where the area of land proposed to be developed does not exceed five hundred square meters or the number of apartments proposed to be developed does not exceed eight inclusive of all phases: Provided that, if the appropriate Government considers it necessary, it may, reduce the threshold below five hundred square meters or eight apartments, as the case may be, inclusive of all phases, for exemption from registration under this Act;

(b) where the promoter has received completion certificate for a real estate project prior to commencement of this Act;

(c) for the purpose of renovation or repair or re-development which does not involve marketing, advertising selling or new allotment of any apartment, plot or building, as the case may be, under the real estate project.

Explanation. —For the purpose of this section, where the real estate project is to be developed in phases, every such phase shall be considered a standalone real estate project, and the promoter shall obtain registration under this Act for each phase separately."

38. Furthermore, it is essential to examine the definition of a "real estate project" as provided under Section 2(zn) of the RE (R&D) Act, 2016, which is reproduced hereunder:

"2. (zn) "real estate project" means the development of a building or a building consisting of apartments, or converting an existing building or a part thereof into apartments, or the development of land into plots or apartment, as the case may be, for the purpose of selling all or some of the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto;"

39. The undisputed facts on record indicate that Respondent No. 1 acquired multiple unsold plots in an older layout originally approved by the Gram Panchayat in 2007. Subsequently, the Respondent applied for and successfully obtained Layout Regularisation Scheme (LRS) approval for these acquired plots in 2023. The Respondent sought to build a defence on the premise that, since the layout was old and they were merely reselling plots after obtaining LRS regularisation, the RERA registration mandate was not applicable. This Authority finds such a

defence to be legally untenable and a deliberate misinterpretation of the statute for the reasons, firstly with regard to the defence that the project pre-dates the commencement of the RE (R&D) Act, 2016, the first proviso to Section 3(1) of the Act specifically addresses ongoing projects. It provides that for projects which were ongoing on the date of commencement of the Act and for which a completion certificate had not been issued, the promoter was obligated to make an application for registration with the Authority within a period of three months from the date of commencement of the Act. Admittedly, no such application was made by any person claiming to be the promoter of this layout. The Respondent therefore cannot take shelter in the pre-commencement origin of the layout to avoid registration obligations that the statute expressly imposed on ongoing unregistered projects. Second, the exemption under Section 3(2)(b) of the Act which applies where the promoter has received a completion certificate for a real estate project prior to the commencement of the Act is equally unavailable to the Respondent herein. No final draft layout in respect of the layout has been placed on record, nor has any such certificate been claimed to have been issued. On the contrary, the Respondent's own case is that LRS regularisation was obtained only in 2023, which itself demonstrates that the layout was not complete or regularized as of the date of commencement of the Act in 2017. The exemption under Section 3(2)(b) therefore does not apply. Third, it is not the age of the layout or the origin of the land that determines applicability of the Act, it is the nature of the activity being carried on at the relevant time. The material placed on record clearly establishes that, despite relying on an LRS approval for an older layout, the Respondent did not merely hold the land passively. Instead, the Respondent actively branded, advertised, and marketed the consolidated plots under a distinct project name, i.e., "Amber Homes," by engaging real estate agents, promoting the venture to the general public, and executing formal Sale Agreements with purchasers like the Complainant. These activities fall squarely within the definition of a "real estate project" under Section 2(zn) of the Act, which explicitly encompasses the development and grouping of land into plots for the purpose of selling. A promoter cannot circumvent the strict regulatory framework of RERA by cloaking an active real estate project under the guise of reselling LRS-regularised plots.

40. Therefore, by actively advertising the project "Amber Homes," executing the Sale Agreement, and receiving substantial sale consideration from the Complainant without obtaining prior registration of the said real estate project with the Telangana Real Estate Regulatory Authority, Respondent No. 1 committed a clear, unambiguous, and established

violation of Section 3(1) of the RE (R&D) Act, 2016. Such acts render the Respondent liable for penal consequences under Section 59 of the Act.

Accordingly, Point I is answered in the affirmative.

Point II

41. This Authority now proceeds to examine the conduct of Respondent No. 2, Sri Madhirala Rosi Reddy, and whether his actions in relation to the present transaction constitute a violation of the provisions of the RE (R&D) Act, 2016.

42. The material placed on record reveals that Respondent No. 2 was registered as a real estate agent with this Authority in two capacities. First, M/s Fortune 99 Homes, represented by its Partner Sri Madhirala Rosi Reddy, was registered as a real estate agent with this Authority bearing Registration No. A02500001226, valid from 12.11.2020 to 11.11.2025. Second, M/s Lavoura Developers Pvt. Ltd., whose Director is again Sri Madhirala Rosi Reddy, was registered as a real estate agent with this Authority bearing Registration No. A02500003146, valid from 18.11.2023 to 17.11.2028. Respondent No. 2 was therefore, at all relevant times, a registered real estate agent under the Act, acting in various capacities through different entities, all under his management and direction.

43. The transaction record reveals a deeply troubling pattern of conduct. On 27.03.2021, Respondent No. 2 executed a Sale Agreement with the Complainant as Fortune 99 Homes, represented by its Partner, Sri Madhirala Rosi Reddy, in respect of Plot No. 173, admeasuring 230 square yards, situated in Survey Nos. 50/97, 50/98, 50/99, 50/100, 50/101, 50/102, and 477, admeasuring Ac. 85.00 Guntas, at Mucherla Village, Kandukur Mandal, Ranga Reddy District, naming the project as "NCS Fortune Medi City." Against this agreement, the Complainant paid an amount of Rs. 10,00,000/-. Subsequently, on 19.04.2024, Respondent No. 2 executed a second Sale Agreement with the Complainant, this time in the name of M/s Lavoura Developers Pvt. Ltd., represented by its Director Sri Madhirala Rosi Reddy, for the same Plot No. 173, now admeasuring 239.32 square yards, and describing the project as "Amber Homes" the very same project that Respondent No. 1, M/s SKA Realtors LLP, has submitted before this Authority to be its own project. Against this second agreement, the total sale consideration was stated at Rs. 27,17,960/-.

44. The two agreements placed on record are, in the considered view of this Authority, damning evidence of a deliberate and calculated misrepresentation perpetrated by Respondent

No. 2. In the first agreement, Respondent No. 2 represented Fortune 99 Homes as the vendor of the plot, presenting himself as the person competent and entitled to sell the property. In the second agreement, he represented M/s Lavoura Developers Pvt. Ltd. as the selling entity for the same plot, which was admittedly a project belonging to Respondent No. 1, M/s SKA Realtors LLP. At no point in either agreement did Respondent No. 2 disclose that he was merely a real estate agent acting on behalf of Respondent No. 1, nor did he disclose his registration as a real estate agent, nor did he act within the lawful scope of a real estate agent's functions. Instead, he adopted the persona of a promoter or developer, executed agreements in the name of entities under his control, and collected substantial amounts from the Complainant in that capacity.

45. The Preamble of the Real Estate (Regulation and Development) Act, 2016 declares the legislative intent of the Act in the following terms:

"An Act to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto."

46. The Act was enacted to bring transparency, accountability, and consumer protection to the real estate sector. The registration of real estate agents under Section 9 of the Act and the prescription of their functions and obligations under Section 10 are integral pillars of this framework, designed to ensure that intermediaries operate within defined, lawful, and disclosed parameters. The conduct of Respondent No. 2 of executing Sale Agreements as a purported vendor and developer, collecting sale consideration in that capacity, and concealing his true status as a real estate agent is directly and fundamentally contrary to the objects and purposes of the Act. It constitutes a classic instance of the very kind of misrepresentation, fraud, and opacity that the Act was specifically enacted to eradicate.

47. This Authority now examines the specific statutory violations committed by Respondent No. 2. Section 10(a) of the RE (R&D) Act, 2016 provides as follows:

"Every real estate agent registered under this Act shall — (a) not facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or

part of it, being sold by the promoter in any planning area, which is not registered with the Authority."

48. It is an established and undisputed position that the project "Amber Homes" / "NCS Fortune Medi City," in respect of which Respondent No. 2 executed Sale Agreements with the Complainant, was not registered with this Authority under the RE (R&D) Act, 2016. As a registered real estate agent bearing Registration Nos. A02500001226 and A02500003146, Respondent No. 2 was under a statutory obligation under Section 10(a) of the Act to not facilitate the sale or purchase of any plot in a real estate project that was not registered with this Authority. By executing Sale Agreements for plots in an unregistered project and collecting sale consideration thereunder, Respondent No. 2 has directly facilitated the sale of plots in an unregistered real estate project in clear and established violation of Section 10(a) of the RE (R&D) Act, 2016.

49. Beyond the violation of Section 10(a), the conduct of Respondent No. 2 in representing himself as a developer or vendor of the plots, when his true statutory status was that of a registered real estate agent, and in collecting amounts from the Complainant under the guise of two entities under his control M/s Fortune 99 Homes and M/s Lavoura Developers Pvt. Ltd. while the plots actually belonged to Respondent No. 1, constitutes a serious misrepresentation of facts and an unfair trade practice that is contrary to the fundamental consumer-protective objectives of the Act. Respondent No. 2 knowingly exploited the trust of the Complainant to extract substantial financial consideration, without disclosing his true capacity, thereby causing grave financial loss and hardship to the Complainant. This Authority accordingly declares Respondent No. 2 as a defaulter for said misrepresentation and unfair conduct.

50. In view of the foregoing findings, this Authority has no hesitation in holding that Respondent No. 2, being a registered real estate agent under Section 9 of the RE (R&D) Act, 2016, has committed a clear and established violation of Section 10(a) of the Act by facilitating the sale of plots in an unregistered real estate project and by acting beyond the lawful scope of his statutory role through misrepresentation and unfair conduct. Such contravention squarely attracts the penal consequences contemplated under Section 62 of the RE (R&D) Act, 2016, which empowers this Authority to impose penalty upon a registered real estate agent for contravention of the provisions of Section 10. Accordingly, Respondent No. 2 is held liable for imposition of penalty under Section 62 of the Act.

Point II is answered accordingly in the affirmative.

Point III

51. This Authority now proceeds to examine whether the Complainant is entitled to the reliefs sought and, if so, to what extent.

52. The material placed on record establishes that the Complainant entered into a Sale Agreement dated 19.04.2024 in respect of Plot No. 173, admeasuring 239.32 square yards, situated in Survey Nos. 50/97, 50/98, 50/99, 50/100, 50/101, 50/102 and 477 of Mucherla Village, Kandukur Mandal, Ranga Reddy District. The said agreement was executed by Respondent No. 2 through M/s Lavoura Developers Pvt. Ltd. in favour of the Complainant for a total sale consideration of ₹27,17,960/-.

53. A careful examination of the transaction documents further reveals that the consideration paid by the Complainant was not received exclusively by Respondent No. 2. As recorded in the complaint itself, an amount of ₹7,17,960/- was paid directly in favour of the landowner, namely Respondent No. 1, through online transfer on 25.03.2024. The said payment was made towards the registered component of the sale consideration in respect of the subject plot. The remaining amount of ₹20,00,000/- was collected through Respondent No. 2.

54. The receipt of ₹7,17,960/- directly by Respondent No. 1 assumes considerable significance. Had Respondent No. 1 been completely unaware of the transaction, there would have been no occasion for the Complainant to remit a substantial portion of the sale consideration directly to Respondent No. 1. The acceptance of such amount by Respondent No. 1 clearly establishes that Respondent No. 1 had knowledge of the proposed sale transaction concerning Plot No. 173 and was fully aware that the said plot was being sold and allotted to the present Complainant.

55. The defence sought to be raised by Respondent No. 1 is that Respondent No. 2 had acted beyond the scope of his authority and had independently collected monies from purchasers without the knowledge or consent of Respondent No. 1. However, this contention cannot be accepted in its entirety in the facts and circumstances of the present case. Respondent No. 1 has itself admitted in its pleadings that Respondent No. 2 had been engaged by it in connection with the project and had been dealing with prospective purchasers. The dispute sought to be projected by Respondent No. 1 is essentially an internal dispute concerning the manner in which Respondent No. 2 conducted transactions and collected monies.

56. It is a settled principle that disputes inter se between a promoter, developer, landowner, agent, marketing representative, or any other person associated with the project cannot be permitted to prejudice the rights of a bona fide allottee. An allottee who has acted on the representations made by persons associated with the project cannot be compelled to suffer on account of subsequent disputes between such parties. Once a purchaser has entered into a transaction, paid consideration, and acquired rights in respect of a plot, the promoter or landowner cannot evade responsibility by merely attributing blame to its agent or intermediary.

57. The RE (R&D) Act, 2016 is a beneficial legislation enacted for protection of consumers in the real estate sector. The rights created in favour of an allottee cannot be defeated by internal disagreements, agency disputes, commercial arrangements, or allegations of misconduct between the persons who collectively participated in the marketing and sale of the project. Any remedy that Respondent No. 1 may have against Respondent No. 2 on account of alleged misrepresentation, unauthorised collection of monies, or breach of instructions is a matter to be independently pursued by Respondent No. 1 against Respondent No. 2 before the appropriate forum. Such disputes cannot extinguish or dilute the rights accrued in favour of the Complainant.

58. This Authority further notes that Respondent No. 1 has consistently maintained before this Authority that it is the lawful owner of the subject plot and that it remains ready and willing to register the plot upon receipt of the requisite sale consideration. The Respondent has also acknowledged that the subject plot forms part of the project owned and controlled by it. Having accepted ownership over the plot and having received a portion of the sale consideration directly from the Complainant, Respondent No. 1 cannot now disclaim responsibility for execution of the conveyance in favour of the Complainant.

59. In the considered view of this Authority, the material on record sufficiently establishes that the Complainant has acquired enforceable rights in respect of Plot No. 173. The knowledge and participation of Respondent No. 1 in the transaction stand established from the receipt of ₹7,17,960/- directly from the Complainant and the surrounding circumstances placed on record. Consequently, Respondent No. 1 remains responsible for honouring the transaction and effecting registration of the subject plot.

60. Accordingly, this Authority holds that the disputes between Respondent No. 1 and Respondent No. 2 cannot operate to the detriment of the Complainant. The rights of the Complainant as an allottee remain intact and enforceable. Respondent No. 1, being the owner

and promoter dealing with the subject plot, is liable to execute and register the sale deed in respect of Plot No. 173, admeasuring 239.32 square yards, in favour of the Complainant, subject to verification of payment of the balance lawful consideration, if any, remaining payable.

Point III is answered accordingly.

61. This Authority now turns to the conduct of Respondent No. 3, Sri Yella Veeranjaneya Reddy alias Anji Reddy, who has been identified in the Complainant's pleadings as the real estate agent who introduced the project to the Complainant and made representations that persuaded him to enter into the transaction. It is stated that Respondent No. 3 acted on behalf of Fortune 99 Homes, M/s Lavoura Developers Private Limited, and Hyderabad Reality Capitals. However, Respondent No. 3 has not entered appearance before this Authority and has filed no counter, statement of defence or reply to Show Cause Notice. The material on record does not disclose the RERA registration status of Respondent No. 3 as a real estate agent, nor are there documents specifically executed by Respondent No. 3 placed on record. In the absence of a clear evidentiary record establishing the specific statutory violations attributable to Respondent No. 3 independently of those already attributed to Respondent No. 2, this Authority, while noting that Respondent No. 3's conduct in facilitating and introducing an unregistered project to the Complainant is prima facie concerning, refrains from recording a conclusive finding of violation against Respondent No. 3 at this stage. It is, however, directed that the Secretary, TG RERA, shall verify whether Respondent No. 3 holds or has held any registration as a real estate agent under Section 9 of the RE (R&D) Act, 2016, and initiate appropriate independent proceedings against him if such registration is found to exist, or if further material comes on record establishing his role and liability.

F. Directions of the Authority

62. In view of the findings recorded hereinabove, particularly the findings and in exercise of the powers conferred upon this Authority under Sections 34, 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, this Authority hereby issues the following directions:

- i. The Secretary, Telangana Real Estate Regulatory Authority (TG RERA), is directed to initiate steps for imposition of penalty against Respondent No. 1, M/s. SKA Realtors

LLP represented by its Designated Partner Sri Rakshit Agrawal, for violation of Section 3 of the RE (R&D) Act, 2016, in accordance with Section 59 of the Act.

- ii. Respondent No. 1, M/s. SKA Realtors LLP represented by its Designated Partner Sri Rakshit Agrawal, is hereby directed to immediately cease and desist from advertising, marketing, booking, selling, offering for sale, or inviting persons to purchase in any manner whatsoever any plot in the project “Amber Homes” situated at situated in Survey Nos. 50/97, 50/98, 50/99, 50/100, 50/101, 50/102 and 477 of Mucherla Village, Kandukur Mandal, Ranga Reddy District, until the said project is duly registered with the Telangana Real Estate Regulatory Authority in accordance with Sections 3 and 4 of the RE (R&D) Act, 2016.
- iii. The Secretary, Telangana Real Estate Regulatory Authority (TG RERA), is directed to initiate steps for imposition of penalty against Respondent No. 2, Sri Madhirala Rosi Reddy, acting through M/s Fortune 99 Homes, M/s Lavoura Developers Pvt. Ltd. and Hyderabad Reality Capitals, for the violation of Section 10(a) of the RE (R&D) Act, 2016 in accordance with Section 62 of the Act.
- iv. Having regard to the findings recorded under Point II, Respondent No. 2, namely Sri Madhirala Rosi Reddy, acting through M/s Fortune 99 Homes, M/s Lavoura Developers Private Limited and Hyderabad Reality Capitals, is hereby declared a defaulter for having facilitated sale transactions in an unregistered real estate project in violation of Section 10(a) of the RE (R&D) Act, 2016, and for engaging in misrepresentation and unfair conduct contrary to the objectives and mandate of the Act.
- v. The Secretary, Telangana Real Estate Regulatory Authority (TG RERA), is directed to take necessary steps to reflect the status of Sri Madhirala Rosi Reddy, M/s Fortune 99 Homes, M/s Lavoura Developers Private Limited and Hyderabad Reality Capitals as defaulters in the records of this Authority and on the official website of TG RERA, in accordance with law and the applicable regulatory framework.
- vi. The Secretary, TG RERA, shall verify whether Respondent No. 3 holds or has held any registration as a real estate agent under Section 9 of the RE (R&D) Act, 2016, and initiate appropriate independent proceedings against him if such registration is found to exist, or if further material comes on record establishing his role and liability.

- vii. Respondent No. 1 is directed to execute and register the Sale Deed in respect of Plot No. 173, admeasuring 239.32 square yards, situated in Survey Nos. 50/97, 50/98, 50/99, 50/100, 50/101, 50/102 and 477 of Mucherla Village, Kandukur Mandal, Ranga Reddy District, in favour of the Complainant, within a period of 30 days from the date of receipt of this Order.
- viii. Failure to comply with the above directions by the Respondents shall make them liable for further action under Section 63 RE (R&D) Act, 2016.
63. With the above directions, the Complaint stands disposed of. No order as to costs.

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

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

