

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

COMPLAINT NO.511 OF 2023

3rd September, 2024

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

Smt. Basham Shobha Rani

...Complainant

Versus

1. M/s Reliance Developers
2. S.Purnachandra Rao
3. S.Laxmi
4. S.Rajesh Kiran
5. B.Sarvani
6. S.Ravali
7. Kiran Kabalvai

...Respondent (s)

The present matter filed by the Complainant herein came up for final hearing on 25.06.2024 before this Authority in the presence of Counsel Sri Gana Vara Prasad for Complainant, Counsel Rusheek Reddy for Respondent 1,2,3,& 5, Counsel M.S.Achyuth Bharthwaj for Respondent 7, counsel K.Balakrishna for Respondent 6 & 3 and as all parties involved, agreed for settlement through conciliation, while exercising its powers under section 32(g) had sent the parties for conciliation. However, the said conciliation failed, and the parties were called for final hearing on 25.06.2024, and upon hearing the arguments of the parties, this Authority passes the following

ORDER:

2. The present 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 directions from this Authority to take action against the Respondent.

A. Brief Facts on behalf of the complainant:

3. The Respondents are the absolute owners and possessors of the property, i.e., a west-facing residential flat bearing No. 102 on the first floor, with a super built-up area of 1900 sq. ft. (inclusive of balconies and common areas), along with an undivided share of 71 sq. yards of land out of a total of 710.25 sq. yards (equivalent to 593.8 sq. meters), and two car parking spaces on the stilt floor in the premises known as 'Reliance Eternis', situated at Begumpet, Hyderabad, bearing M.H. No. 1-10-38/2. The Respondents offered to sell this property to the Complainant for a total sale consideration of Rs. 1,32,50,000/- (Rupees One crore thirty-two lakhs fifty thousand only), and the Complainant agreed to purchase the same (hereinafter referred to as the "Suit Schedule Property").

4. The Complainant has paid Rs. 1,20,00,000/- (Rupees One crore twenty lakhs only), i.e., 90% of the total sale consideration, which was acknowledged by Respondent No. 4 as the authorized representative on behalf of Respondent Nos. 1 and 2, and others.

5. Respondent Nos. 2 to 6 are family members: Respondent Nos. 2 and 3 are husband and wife, Respondent No. 4 is their son, Respondent No. 6 is the wife of Respondent 4, and Respondent No. 5 is the daughter of Respondent No. 2. The Respondents, doing business under the name and style of M/s. Reliance Developers, entered into a Development Agreement cum Irrevocable GPA with Shikaram Ramananda Gupta, Venkatarama Raviphani Kumar Gupta, and Chitra Nag Kanumary regarding the residential land property measuring 710.25 sq. yards or 593.8 sq. meters, in the premises bearing M.H. No. 1-10-38/2, situated at Begumpet, Hyderabad, in which the Suit Schedule Property is situated.

6. That Respondent No. 4 is authorized to act on behalf of Respondent No. 1 for conducting day-to-day business transactions in Hyderabad, as Respondent No. 2 was occupied with other projects in the Telangana and Andhra Pradesh states. Respondent No. 4 has the authority to execute Sale Agreements, receive payments, and issue receipts in the course of their daily

business transactions. This authorization was granted to Respondent No. 4 on 28.11.2018 by Respondent No. 2, Managing Partner of M/s Reliance Developers. Subsequently, Respondent No. 4 entered into an Agreement of Sale with the Complainant on 29.01.2019.

7. That the total sale consideration for the Suit Schedule Property was valued at Rs. 1,32,50,000/- (Rupees One crore thirty-two lakhs fifty thousand only). The Complainant has paid Rs. 1,20,00,000/- (Rupees One crore twenty lakhs only) to date, which is more than 90% of the total sale consideration. The amounts paid, pursuant to the Agreement of Sale, on various dates are as follows: (1) Rs. 29,00,000/- (Rupees Twenty-nine lakhs only) paid by RTGS vide UTR No. SBINRS201902200101925 dated 22.01.2019; (2) Rs. 1,00,000/- (Rupees One lakh only) by Check No. 667626 dated 21.01.2019 of SBI, Chandrayangutta, Kanchanbagh Branch, Hyderabad; (3) Rs. 75,00,000/- (Rupees Seventy-five lakhs only) in cash; (4) Rs. 10,00,000/- (Rupees Ten lakhs only) paid by RTGS vide UTR No. SBINRS2019031100107649 dated 11.03.2019 of SBI, Chandrayangutta, Kanchanbagh Branch, Hyderabad; and (5) Rs. 5,00,000/- (Rupees Five lakhs only) paid by RTGS vide UTR No. ORBCH9283051716 dated 10.10.2019 of OBC, Santhosh Nagar Branch, Hyderabad. It was mutually agreed that the Complainant would pay the remaining balance of the sale consideration after the completion of the fifth-floor slab, brickwork, and plastering, at the time of handing over the flat.

8. That, after the payment of the advance sale consideration on 10.10.2019, the Complainant began requesting the Respondents to receive the balance sale consideration and execute the registered sale deed in her favor. However, the Respondents have been postponing the matter on various pretexts. Meanwhile, Respondent No. 6 issued a Public Notice on 09.08.2020 in the Eenadu daily newspaper stating that she, as a partner of M/s Reliance Developers, was compelled to dissolve the firm by way of a Legal Notice dated 09.06.2020 and followed it with a paper publication dated 11.06.2020 to other partners, cautioning the public not to enter into any agreements or sale deeds contrary to her interests.

9. That the Complainant was shocked, astonished, and dismayed upon seeing the Public Notice issued by Respondent No. 6, who is the wife of Respondent No. 4 and daughter-in-law of Respondent No. 2. The family disputes among the Respondents are detrimental to the Complainant's interests and rights. Despite having paid 95% of the sale consideration and being ready to pay the remaining amount of Rs. 12,50,000/- (Rupees Twelve lakhs fifty thousand only), the Respondents have committed a breach of contract and breach of trust as per the Agreement of Sale. They agreed to hand over possession of Flat No. 102 to the Complainant after 11 months from the date of the Agreement of Sale dated 29.01.2019 but failed to fulfill this obligation. Additionally, Respondent No. 2 registered two flats to other purchasers: (i) Vikram Baru, Vijayalakshmi Baru, and Anjani Rao, Sale Deed No. 745/2021 dated 15.03.2021 for Flat No. 401; (ii) Aravind Baid and Neeraj Baid, Sale Deed No. 746/2021 dated 15.03.2021 for Flat No. 502.

10. That the Respondents are not inclined to register Flat No. 102 in favor of the Complainant due to malafide, malicious, and fraudulent intentions, attempting to avoid the execution of the registered sale deed and cause wrongful loss to the Complainant. The Respondents have created a false narrative of financial disputes to evade their legal obligations and avoid the registration of flats sold to other purchasers.

11. That the Respondents are involved in a conspiracy to harass and cheat the Complainant. They are fraudulently dragging the Complainant into disputes and attempting to alienate the Suit Schedule Property in favor of third parties.

12. That the Respondents have colluded with a fraudulent intention to cheat the Complainant and, in this process, initiated arbitration proceedings and legal notices with the intent to prevent the transfer and execution of the registered sale deed. The Complainant's health has deteriorated significantly, leading to hospitalization in the ICU on 23.12.2020. Currently, the Complainant is on a strict medication schedule due to the stress and trauma caused by the Respondents. The sense of being a victim of fraud and cheating has severely impacted her physical and psychological well-being.

13. That whenever the Complainant and her husband, Mr. Srinivas Rao, visited the Respondents' office to request the registration of the flat, the Respondents threatened them with dire consequences and used abusive and vulgar language. The Complainant and her husband, being senior citizens with serious age-related ailments, have suffered greatly due to these actions.

14. That a complaint was lodged, which was re-registered as FIR No. 550/2022 U/S 406, 420 R/w 34 IPC after being transferred from the Jubilee Hills Police Station to the Panjagutta Police Station.

15. That there was an agreement between the Complainant and M/s Reliance Developers regarding the purchase of Flat No. 102. As per the agreement, the Complainant paid Rs. 1,20,00,000/- to M/s Reliance Developers. Rajesh Kiran, the son of Purnachandra Rao and Managing Partner authorized to sell flats on behalf of M/s Reliance Developers, received the payment. However, the members of Reliance Developers began avoiding and evading the Complainant with malicious and fraudulent intentions. It was later revealed that Mr. Purnachandra Rao had sold Flat No. 102 to Kiran Kabalavai S/o Sri Kabalvai Keshava Rao, as per Document No. 269/2023 dated 08.02.2023.

16. That Purnachandra Rao, upon investigation, claimed that the flat had been registered to another person and refused to respond to the Complainant's demands. Respondent No. 2 admitted to the police in Panjagutta that he had already sold and registered the flat to someone else, thereby committing fraud and cheating.

17. That there are several pending cases against Rajesh Kiran and other members, including Cr. No. 349/2020, Cr. No. 397/2020, Cr. No. 75/2020, Cr. No. 171/2021, and a complaint dated 09.04.2021. The registered company has also been closed, with the branch in Somajiguda being shut down.

18. That the Respondents are habitual offenders with significant influence and are likely to tamper with evidence or escape the country, given their international movements.

19. That a legal notice dated 29.08.2021 was issued to Respondents No. 1 to 6. Respondent Nos. 4 and 5 replied on 12.09.2021. In their reply, Respondent No. 4 confirmed entering into the Agreement of Sale with the Complainant, receiving the sale consideration, and transferring some amounts to the Respondent firm via RTGS.

C. Relief(s) Sought:

20. It is prayed that the Honorable Authority may order the builder, promoter, and developer M/s Reliance Developers, represented by S. Purnachandra Rao and Mr. Rajesh Kiran (Authorized Signatory), to register Flat No. 102, M.H. No. 1-10-38/2, Reliance Eternis, Begumpet, Hyderabad, Telangana, in favor of the Complainant. Additionally, the Complainant prays for the cancellation and declaration of Sale Deed No. 269/2023 dated 08.02.2023 as void and illegal. The Complainant also requests that M/s Reliance Developers be blacklisted on all ongoing projects, and that S. Purnachandra Rao and Mr. Rajesh Kiran, as Authorized Signatories, be barred from any further dealings on behalf of M/s Reliance Developers in the interest of justice.

D. Interim Relief:

21. Pending the final decision on the complaint, the Complainant seeks the issuance of an Interim Order or Injunction to prevent the alienation of M.H. No. 1-10-38/2, Flat No. 102, Reliance Eternis, Begumpet, Hyderabad, Telangana, to any other parties by Purnachandra Rao and Kiran Kabalvai. Furthermore, it is requested that M/s Reliance Developers be blacklisted on all ongoing projects, and that Purnachandra Rao and Kiran Kabalvai be restrained from any further alienation, transfer, or sale of the Suit Schedule Property.

Scheduled Property-A: The residential land property admeasuring 710.25 Sq Yards or 593.8 Sq Meters, situated at M.H. No. 1-10-38/2, Begumpet, Hyderabad. The property is bounded by:

- North: Plot Nos. 5, 4, and 3
- South: 40 Feet Wide Road

- East: Plot Nos. 15, 10, and 11A
- West: Plot No. 13

Scheduled Property-B: The west-facing residential flat bearing No. 102 on the first floor, having a super built-up area of 1900 Sq. Ft. (inclusive of Balconies and common areas), with 71 Sq. Yards of undivided share of land out of 710.25 Sq. Yards equivalent to 593.8 Sq. Meters. This flat includes two car parking spaces on the stilt floor within the premises of Reliance Eternis, located at M.H. No. 1-10-38/2, Begumpet, Hyderabad. The flat is bounded by:

- North: Open to sky
- South: Open to sky
- East: Open to sky
- West: Lobby, Lift, Staircase, and Flat No. 101

E. Respondents Reply:

22. Respondent 1 and 2 submitted the following:

- i. That Respondent 2 is the Managing Partner of the Respondent No. 1 herein and am arrayed in my personal capacity as Respondent No. 2. As such, I am well aware of the facts of the case and competent to depose as under.
- ii. At the outset, the contents of the instant Complaint are denied in toto except those which are specifically admitted hereunder. Nothing contained in the Complaint shall be deemed to be admitted by the Answering Respondents for the reason of non-traverse. It is submitted that the instant Complaint is devoid of merits and an abuse of the process of law and is liable to be dismissed in limine. The Complainant is guilty of alteration of material facts and has approached this Hon'ble Authority with unclean hands.
- iii. The Answering Respondents crave the leave of this Hon'ble Authority to advert to preliminary objections before adverting to para-wise reply. It is submitted that the Complaint filed by the Complainant is based on false and baseless allegations and the same is illegal and not maintainable as per the provisions of the TS Real Estate (Regulation & Development)

- Act, 2016. The instant Complaint is liable to be dismissed on this ground alone.
- iv. It is submitted that the proceedings with regard to the Complaint filed by Smt. Basham Shobha Rani are not within the scope and jurisdiction of this Hon'ble Authority and are not within the mandate and scope of the TS Real Estate (Regulation & Development) Act, 2016. It is pertinent to mention that a complaint alleging disputed questions of fact, more so with regard to title over a property, can be taken up only by a competent Civil Court and as such, the instant Complaint is liable to be dismissed on this ground alone.
- v. It is submitted that the Real Estate Regulatory Authority, under the provisions of the Real Estate (Regulation & Development) Act, 2016, does not have the authority/power to register any property nor does it have the authority/power to cancel/declare registered documents as null and void. The Complainant herein is seeking reliefs which are beyond the scope and jurisdiction of this Hon'ble Authority and as such, the instant Complaint ought to be dismissed on this ground alone.
- vi. It is submitted that the Complainant herein does not fall under the category/purview of purchaser to the said flat/apartment as the alleged Agreement of Sale dated 29.01.2019 was not signed by any of the partners, much less the Managing Partner, and is a fraudulent document which has been brought to light for the purpose of gaining illegally. It is pertinent to note that Respondent No. 4 herein is not in any way authorized to represent/enter into any agreement/receive any amounts on behalf of the Firm. No authorization has been given to Respondent No. 4 either by the Answering Respondents nor by the other partners nor by virtue of the Partnership Deed of the Respondent No. 1 Firm. Even assuming, and not admitting, that the Complainant is a purchaser, as per Section 38 of the Real Estate (Regulation & Development) Act, 2016, the Powers given to the Real Estate Regulatory Authority are only limited to imposing a penalty or interest regarding any contravention of obligations cast upon the promoters or the real

estate agents, and not to allot a flat in favor of the Complainant and adjudicate upon disputed questions of title. Therefore, the above Complaint ought to be dismissed in limine.

- vii. Even according to the documents filed by the Complainant, none of the Partners, much less the Managing Partner, had signed either on the alleged Agreement of Sale dated 29.01.2019 or on the receipts attached along with the alleged Agreement of Sale dated 29.01.2019.
- viii. It is submitted that the addresses of the Respondents 1 to 3 and 5 have deliberately been wrongly mentioned by the Complainant in order to avoid service. Further, the Complainant, to suit her case, has wrongly arrayed the Respondents 3 to 6 as the Managing Partners of the Respondent No. 1 Firm. The correct addresses and designations of the Respondents 1 to 6 are as follows:

1. M/s Reliance Developers, having its erstwhile office at: Flat No. 401, Lovely Mansion, 6-3-1090/C/A, Somajiguda, Hyderabad - 500082, represented by its Managing Partner, Mr. Somuri Purnachandra Rao.
2. Somuri Purnachandra Rao, S/o. Late Somuri Srinivasa Rao; Age: 65 years; Occupation: Managing Partner of the Respondent No.1 Firm.
3. Somuri Lakshmi, W/o. Somuri Purnachandra Rao; Occupation: Partner of the Respondent No.1 Firm; Age: major; residing beside Harsha Toyota, Kothaguda, Serilingampally Mandal, Rangareddy District, Telangana.
4. Somuri Rajesh Kiran, S/o. Somuri Purnachandra Rao; Age: 36 years; Occupation: Business; residing at H.No. 8-2-293/82/A/239/A, Road No. 18, Jubilee Hills, Hyderabad - 500033.
5. Sarvani Boppana, W/o. B. Venkateswara Rao; Age: 39 years; Occupation: Partner of the Respondent No. 1 Firm; residing at Flat No. 301, Reliance Avans Court, Road No. 5, Banjara Hills, Hyderabad - 500033.
6. Somuri Ravali, W/o. Somuri Rajesh Kiran; Age: 33 years; Occupation: Partner of the Respondent No. 1 Firm; residing at H.No. 8-2-293/82/A/239/A, Road No. 18, Jubilee Hills, Hyderabad - 500033.

- ix. The Answering Respondents crave the leave of this Hon'ble Authority to put forth brief facts before adverting to a para-wise reply.
- a) That, Somuri Purnachandra Rao, S/o Late Somuri Srinivasa Rao, aged about 65 years, Occupation: Managing Partner of the Respondent No. 1 Firm, residing at Flat No. 2A, Sneha Soudha Apartments, Plot No. 54, Jubilee Gardens, Beside Harsha Toyota, Kothaguda, Serilingampally Mandal, Rangareddy District, Telangana, do hereby solemnly affirm and swear on oath as follows:
- b) I am the Managing Partner of Respondent No. 1 herein and have been arrayed in my personal capacity as Respondent No. 2 herein. As such, I am well aware of the facts of the case and competent to depose as under.
- c) At the outset, the contents of the instant Complaint are denied in toto except those which are specifically admitted hereunder. Nothing contained in the Complaint shall be deemed to be admitted by the Answering Respondents for the reason of non-traverse. It is submitted that the instant Complaint is devoid of merit and constitutes an abuse of the process of law, warranting dismissal in limine. The Complainant is guilty of altering material facts and has approached this Hon'ble Authority with unclean hands.
- d) The Answering Respondents crave the leave of this Hon'ble Authority to advert to preliminary objections before addressing the para-wise reply. It is submitted that the Complaint filed by the Complainant is based on false and baseless allegations, is illegal, and not maintainable under the provisions of the TS Real Estate (Regulation & Development) Act, 2016. The instant Complaint is liable to be dismissed on this ground alone.
- e) The Respondent Nos. 2, 3, 5, and 6 herein have entered into a registered Partnership Deed bearing Doc. No. 3248/2011 dated 27.10.2011 and established the Firm 'M/s. Reliance Developers' (hereinafter referred to as 'the Firm'). Thereafter, the Firm was registered with the Registrar of Firms by duly complying with all the regulations and provisions of the Indian Partnership Act, and a

Certificate of Registration was issued on 10.11.2011. A copy of the complete Form No. 1 as submitted by the partners, along with the registered Partnership Deed dated 27.10.2011 bearing document No. 3248 of 2011 and the certificate of registration dated 10.11.2011, is filed herewith as Document No. 1.

- f) The Firm was established for undertaking construction of roads and highways, bridges, buildings, and other contract works from any Government and/or private parties. It was further agreed that the Respondent No. 2 shall be the Managing Partner of the Firm, empowered to enter into agreements, receive payments, appoint necessary staff, incur necessary expenditure, and perform all acts incidental to carrying on the business of the Firm. Clause 5 of the said Partnership Deed dated 27.10.2011, which designates the Respondent No. 2 as the Managing Partner, is extracted hereunder for ease of reference:

"Clause 5: Partner No. 1, Sri Somuri Purnachandra Rao, shall be the Managing Partner of the firm with the power to apply for tenders and negotiate terms, enter into agreements, and receive payments. He shall also have the power to appoint necessary staff, maintain books of account, incur necessary expenditure, and do all acts and things necessary and incidental to carry on the business of the firm."

- x. Respondent No. 2 and his wife, Respondent No. 3, have invested substantial funds into the Firm for undertaking various projects. Apart from using most of their savings from previous businesses and employment, Respondent No. 3 sold her flat at Basheerbagh and availed an amount of Rs. 1 crore through a mortgage loan against her Villa No. 15 at Mokhila to provide capital to the Firm. Respondent No. 5 also invested substantial funds by selling her flat at Marredpally and gathering funds from other sources, depositing the same into the Firm's bank accounts immediately after their opening. Apart from these investments, Respondent No. 2 borrowed huge sums from private financiers from time to time for the Firm, based on his goodwill and

reputation. However, neither Respondent No. 4 nor Respondent No. 6 have invested any capital in the Firm.

- xi. Respondents 3 and 5 were sleeping partners in the Firm, and all its affairs were managed by Respondent No. 6 and her husband, Respondent No. 4, in Hyderabad, while projects in Vijayawada were managed by Respondent No. 1. Respondents 3 and 5 were not involved in the Firm's business, sales, expenditures, or income, reposing utmost trust and faith in Respondent No. 6 and her husband, who handled the Firm's accounts from its office in Jubilee Hills, later shifted to Somajiguda, Hyderabad.
- xii. As per the family and partner's understanding, Respondent No. 2 was responsible for undertaking various projects and selling built-up areas in flats/commercial spaces. Respondent No. 2 borrowed substantial sums for the Firm from private financiers, friends, and well-wishers at market interest rates and entered into several development agreements on behalf of the Firm with various landowners based on his goodwill and reputation. Respondent No. 6 and her husband managed the Firm's accounts and primarily operated its bank accounts.
- xiii. At no point was Respondent No. 4 authorized to represent the Firm, enter into agreements, or receive sale considerations. Clause 5 of the Partnership Deed dated 27.10.2011 clarifies that Respondent No. 2 alone has the authority to enter into agreements and receive sale considerations. Any agreements or sale considerations handled by Respondent No. 4 are unauthorized and cannot be deemed as entered into by the Firm. Respondent No. 6 and her husband have committed fraud upon third parties, the Firm, and its partners. Numerous FIRs have been filed against Respondent No. 4 for these fraudulent activities.
- xiv. Prior to the institution of this Complaint dated 17.06.2023, the Complainant filed a criminal complaint on 14.04.2022 before the Jubilee Hills Police Station U/S 420, 406, R/W Sec 34 IPC, registered as FIR No. 190/2022 on 14.04.2022, with the same allegations as in the present complaint before this Hon'ble Authority. The criminal complaint was later transferred to Punjagutta Police Station due to

jurisdiction issues, registered as FIR No. 550/2022, dated 18.10.2022. In FIR No. 550/2022, Respondent No. 2 filed a detailed reply dated 22.11.2022, and Respondent No. 4 also filed his reply. Copies of FIR No. 190/2022, FIR No. 550/2022, and Respondent No. 2's reply dated 22.11.2022 are attached herewith as Document Nos. 2, 3, and 4 respectively.

- xv. Respondent No. 6 preferred a Writ Petition bearing W.P. No. 7516 of 2021 before the Hon'ble High Court for the State of Andhra Pradesh at Amaravati against the APRERA, Union Bank of India, and Respondents 2, 3, and 5 herein, seeking to declare the action of the APRERA in directing Union Bank of India to permit Respondent No. 2 to operate the bank accounts bearing Nos. 640601010050304 and 640601010050305 by way of letter dated 02.03.2021 as arbitrary, unreasonable, biased, and against the provisions of partnership law and principles of natural justice. The Hon'ble High Court, by Order dated 30.06.2021, disposed of the Writ Petition, leaving it open for the Petitioner to file an appropriate complaint before the competent authority, i.e., APRERA, within one week from receipt of the order. A copy of the Order dated 30.06.2021 in W.P. No. 7516 of 2021 is attached as Document No. 5.
- xvi. Pursuant to the Order dated 30.06.2021, Respondent No. 6 preferred CP No. 24 of 2021 before the Hon'ble Real Estate Regulatory Authority (RERA) at Vijayawada. The Hon'ble RERA framed the following issues:
- a. ISSUE 1: Whether the present Complaint is maintainable or not?
 - b. ISSUE 2: Whether the partnership firm ceases to exist in case of dissolution and whether the promoter firm is entitled to continue the project in the capacity of promoter?
 - c. ISSUE 3: Whether the 1st Respondent needs to be directed to submit the entire transactions over the two projects namely: - Reliance Avans Krishna Grandeur, Enikepadu, Vijayawada (RERA No. P061060160624) - Reliance Island Garden, Sri Ramachandra Nagar, Vijayawada (RERA No. P06170010625)

d. ISSUE 4: Whether the 1st Respondent can be directed to deposit the total amounts collected by him over the two projects to their respective RERA Accounts (Nos. 640601010050304 and 640601010050305) maintained with Union Bank of India, Bharathi Nagar, Vijayawada?

e. ISSUE 5: Whether the Respondents can be directed to furnish the details of completion of pending works, along with amounts required for the completion of the works?

f. ISSUE 6: Whether the Respondents need to be restrained from operating bank accounts other than the RERA Account pertaining to the two projects mentioned supra?

xvii. In CP No. 24 of 2021, the Hon'ble APRERA, by Order dated 22.12.2022, directed Respondent No. 2 to comply with the APRERA Act and operate the RERA accounts for the respective projects. The APRERA held that the Firm was registered and entitled to complete the ongoing projects, with Respondent No. 2 authorized to receive funds and continue the operations of the projects as per Clause 5 of the Partnership Deed dated 27.10.2011. A copy of the Order dated 22.12.2022 in CP No. 24 of 2021 is attached as Document No. 6.

xviii. The Complainant's allegations against the Respondents herein are merely an attempt to circumvent the findings of the Hon'ble APRERA and reopen settled issues. The Complainant has approached this Hon'ble Authority without any new facts or evidence, thus rendering the present Complaint frivolous and vexatious. The Complainant has not only misrepresented facts but also failed to disclose the complete background of the dispute and previous proceedings before the Hon'ble APRERA.

xix. In light of the aforementioned facts and circumstances, the Respondents herein submit that the instant Complaint is an abuse of the process of law and warrants dismissal in limine.

ISSUE No. 5:

"As per the orders of the Hon'ble High Court of Andhra Pradesh in We Hat 7516/2021, this authority had decided to involve all the allottees tech flat purchasers who are the ultimate consumers in both the projects. As such, this authority issued directions dated 08.09.2021 to the complainant to implead all the stakeholders as parties to the complaint and solicited their opinions. Feedback from the allottees has already been received by this authority.

This authority also conducted a survey to understand the grievances of allottees, if any, regarding the two projects. After scrutinizing the representations made and the affidavits filed by the landowners, this authority opines that the landowners, who are major stakeholders in both projects, did not support the version of the complainant. They stated their utmost belief in the 1st respondent, who is actively involved in the project's completion and management. Similarly, representations received through mail from the allottees of the firm indicate their satisfaction with the promoter firm's work and their lack of awareness or interaction with the appellant. Therefore, they prefer to continue with the same promoter firm, with Respondent No. 1 as the promoter/developer.

Consequently, this authority is concerned with the satisfaction of the allottees/buyers and landowners. The takeover of the project and its handover to another builder, as prayed by the complainant, need not be considered. Hence, the promoter firm is entitled to continue the projects in the capacity of the promoter, keeping in view the interest of all the stakeholders of the projects."

- xx. The contents of Para 1 (Particulars of the Complainant) are denied for want of knowledge. The Complainant is put to strict proof thereof.
- xxi. The contents of Para 2 (Particulars of the Respondents) are false, baseless, and hence denied. The Complainant is put to strict proof thereof. It is submitted that the addresses of Respondents 1 to 3 and 5 have been deliberately misrepresented by the Complainant to avoid service. Furthermore, the Complainant has incorrectly arrayed Respondents 3 to 6 as Managing Partners of Respondent No. 1 Firm to suit her case.
- xxii. The contents of Para 3 (Jurisdiction of the Authority) are false, baseless, and hence denied. The Complainant is put to strict proof thereof. It is submitted that this Hon'ble Authority has no jurisdiction to either register a property or declare/cancel any registered document. Thus, the instant Complaint is liable to be dismissed.

- xxiii. The Answering Respondents address Para 4 (Facts of the Case) and deny Para 4 in toto unless specifically admitted herein. The Complainant is put to strict proof thereof.
- xxiv. In reply to the averments made in Para 1, it is denied that the Respondents are the absolute owners and possessors of the property described as West faced residential flat bearing No. 102 on the First Floor with a super built-up area of 1900 Sq. Ft. (inclusive of balconies and common areas) and 71 Sq. yards of undivided share of land out of 710.25 Sq. Yards equivalent to 593.3 Sq. Mtrs, along with two car parking spaces in the premises 'RELIANCE ETERNIS,' located at Begumpet, Hyderabad. It is submitted that the said property belongs to Respondent No. 1 Firm alone and not to the remaining Respondents. It is specifically denied that either Respondents 1, 2, 3, or 5 have individually/jointly offered to alienate the Complaint Schedule Property in favor of the Complainant for a total sale consideration of Rs. 1,32,50,000/- and that the Complainant agreed to and accepted the purchase. The Complainant is put to strict proof thereof. It is pertinent to note that neither Respondents 1, 2, 3, nor 5 have authorized or signed the alleged Agreement of Sale dated 29.01.2019. It is submitted that Respondents 4 and 6, in collusion with each other, opened Axis Bank accounts authorizing only Respondent No. 6 to withdraw the funds. Respondent No. 2 first became aware of the INR 45,00,000/- transfer into said account in 2020 when a written request was made to the Bank Manager for account statements. Since Respondent No. 2 was unaware of the transfer's purpose, the amount of INR 45,00,000/- was categorized as an Unsecured Loan, which is reflected in the Firm's IT Returns.
- xxv. The contents of Para 2 are false, baseless, and hence denied. The Complainant is put to strict proof thereof. It is denied that as per the above-said offer and acceptance, the Complainant paid Rs.1,20,00,00/- (Rupees One Crore Twenty Lakhs only), i.e., 90% of the entire sale consideration, and the same was acknowledged by Respondent No. 4 herein as an authorized person on behalf of Respondent No. 1 and 2

and others. It is submitted that Respondent No. 2 is the Managing Partner of the Firm, and as per the Partnership Deed, he alone is authorized to execute agreements of sale and Sale Deeds in favor of purchasers of Flats. No other partner, much less Respondent No. 4, who is not even a partner of the Firm, is authorized to execute any such documents. It is submitted that neither Respondents 1, 2, 3, nor 5 authorized or signed the alleged Agreement of Sale and have not received any amounts from the Complainant towards the alleged sale of the Complaint Schedule Property. However, since Respondent No. 2 was unaware of the transfer's purpose, the amount of INR 45,00,000/- was categorized as an Unsecured Loan, reflected in the balance sheet and IT Returns of the Firm. Respondent No. 1 and Respondents 2, 3, and 5 are only liable to return an amount of INR 45,00,000/- (Rupees Forty-Five Lakhs Only) credited into the Firm's account and have nothing to do with the alleged payment of INR 75,00,000/- (Rupees Seventy-Five Lakhs Only). The Complainant is put to strict proof thereof. The Answering Respondents specifically deny that the Firm received any money other than Rs. 45 lakhs from the Complainant, much less an amount of Rs. 75 lakhs as alleged. The accounts reflecting the money received from the Complainant by the Firm are also submitted to the Hon'ble Arbitral Tribunal. Additionally, when the Firm had its registered office at Somajiguda, a property belonging to Respondent No. 6's parents, Respondents 4 and 6, in collusion, stole documents and records belonging to the Firm and some personal documents of all partners. Respondent No. 2 lodged a complaint against Respondents 4 and 6, resulting in FIR No. 171/2021 dated 02.04.2021 being registered by the concerned police.

- xxvi. Addressing the second Para 4, the contents are false, baseless, and hence denied. The Complainant is put to strict proof thereof. It is denied that out of the total agreed sale consideration of Rs.1,32,50,000/-, the Complainant paid Rs.1,20,00,000/- in total, which is more than 95% of the total sale consideration. It is submitted that apart from the following amounts, neither the Firm nor Respondents 2, 3, and 5 received any

amounts and thus cannot be held liable. The amount of INR 45,00,000/- was deposited in the AXIS Bank account, opened by forging the signatures of the Firm's partners, solely controlled by Respondent No. 6, the wife of Respondent No. 4:

S.no	Date	Amount	Mode of payment
1.	21.01.2019	1,00,000/-	Cheque
2.	22.01.2019	29,00,000/-	RTGS
3.	11.03.2019	10,00,000/-	RTGS
4.	10.10.2019	5,00,000/-	RTGS

xxvii. It is specifically denied that an amount of INR 75,00,000/- (Rupees Seventy-Five Lakhs) was paid to the Firm. It is pertinent to note that an amount of INR 75,00,000/- towards the alleged sale consideration was paid in cash, which is against the law. It is a settled law that any amount received towards the said property must be deposited in the RERA Account linked with the said property. It is denied that it was mutually agreed that the Complainant shall pay the remaining balance of the sale consideration after the completion of the 5th floor in the building. The Complainant is put to strict proof thereof. It is submitted that the Respondent Firm's flat purchasers/allottees and the landowners of the projects have expressed their utmost confidence and satisfaction in the work undertaken by Respondent No. 1 Firm. As such, this Hon'ble Authority issued directions dated 08.09.2021 to the Complainant to implead all stakeholders as parties to the Complaint and solicited their opinions, which was executed as per the directions.

xxviii. The contents of Para 5 are false, baseless and hence denied. The Complainant is put to strict proof of the same. It is denied that after payment of advance sale consideration on the last occasion on

10.10.2019 the Complainant started requesting the Respondents to receive the balance sale consideration amount and execute the registered Sale Deed in her favour but the Respondents had been postponing the matter on one pretext or the other for the reasons best known to them but not ready to perform their part. It is submitted that the Respondent No. 2 as Managing Partner of the Firm much before the alleged Agreement of Sale dated 29.01.2019 has executed an Agreement of Sale dated 05.05.2018 in favour of Respondent No. 7 i.e., Sri Kiran Kabalavai, S/o.Kesava Rao and received substantial amount towards advance sale consideration. The said agreement holder having come to know about the claim of the Complainant herein has filed a Suit in C.O.S.No.17/2021 before the Hon'ble Vacation Civil Judge, City Civil Court, Hyderabad and obtained Injunction Order dated 19.05.2021 in I.A. No. 57 of 2021 in COS No. 17 of 2021 against the Firm from alienating the Complaint Schedule Property. Subsequently a registered Sale Deed bearing Doc. No. 269/2023 dated 08.02.2023 was executed in favour of Sri Kiran Kabalvai in respect of the Complaint Schedule Property. It is admitted that the Respondent No. 6 gave Public Notice on 09.08.2020 in Eenadu Daily News Paper stating that "She as a partner of M/s. Reliance Developers, Hyderabad was compelled to dissolve the said firm by way of Legal Notice dated 09.06.2020 and followed it with a paper publication dated 11.06.2020 to other partners Sri. Somuri Purnachandra Rao, Smt. Somuri Lakshmi and Smt. Boppan Sarvani and that she filed Arbitration Application and cautioned the general public no to enter into any agreements or any type of Sale Deeds which is against her interest pertinent to note that that said Arbitration is still pending. A copy of the Injunction Order dated 19.05.2021 in L.A. No. 57 of 2021 in OS No. 17 of 2021 is herewith being attached as Document No. 8.

- xxix. The contents of para 6 are false, baseless and hence denied. The Complainant is put to strict proof of the same. It is denied that the Complainant was shocked to see the Public Notice by Respondent No. 6, wife of Respondent No. 4 and daughter-in-law of Respondent No. 2, who

issued a Public Notice through P. Rajesh Babu, Advocate on 09-08-2020 for want of knowledge. The Complainant is put to strict proof of the same, It is denied that and that the family disputes among the Respondents are totally against the interests and rights of Complainant and that the Respondents all have committed Breach of Contract and breach of trust against the Complainant against the Complainant as per the Agreement of Sale, though the Complainant paid 95% of the sale consideration and is ready to pay the balance sale consideration of INR 12,50,000/- and perform her contract and that the Respondents all had agreed to give possession of Flat No. 102 to the Complainant after 11 months from the date of Agreement of Sale i.e., 29.01.2019 but failed to perform the said contract also. It is pertinent to note that Respondent No. 4 had alone without authorization had signed on behalf of the Firm as Managing Partner and also on behalf of the land owners as their GPA Holder for which the Respondent No. 4 was never authorized. It is admitted that the Respondent No. 2 being the Managing Partner has registered two Flats to other purchasers viz., (i) Vikram Baru, Vijayalakshmi Baru & Anjani Rao, Sale Deed No. 745/2021, dated 15-03-2021, Flat No. 401 and (ii) Aravind Baid, Neeraj Baid, Sale Deed, No. 746/2021, dated 15-03-2021, Flat No. 502. It is submitted that Respondent No. 2 being the Managing Partner of the Firm is authorized to enter into agreements and execute register Sale Deeds and there is no impropriety in the same. . The contents of Para 7 are false baseless and hence denied. The Complainant is put to strict proof of the same. It is denied that the Respondents are not inclined to come forward to register the Flat No. 102 in favour of Complainant with a malafide, malicious and with fraudulent intentions, defying logic and reasoning in order to siphon off the property and in order to gain unlawfully and the cause wrongful loss to the Complainant herein and that the Respondents are having financial disputes and that they are they are their own created, false and fabricated story and the story is cooked up cock and bull story in order to escape from their legally enforceable duty. It is submitted that part of the contents of Para 7 are not legible

in the copy provided to the Answering Respondents and the Answering Respondents reserve their right to submit additional pleadings as and when deemed necessary and when a clear copy is served on the answering Respondents. However, the same are denied for want of knowledge. It is submitted that the Respondents 4 & 6 have siphoned the firm's money and have committed a lot of irregularities within the firm and therefore the Respondent No. 2 representing the Respondent No. 1 have filed several police complaints against them:

- a. FIR No.349/2020 dated 28.06.2020 of Jubilee Hills PS, Hyderabad.
- b. FIR No.397/2020 dated 28.06.2020 of Banjara Hills PS, Hyderabad.
- c. FIR No.549/2020 dated 07.08.2021 of Banjara Hills PS, Hyderabad.
- d. FIR No.75/2020 dated 03.07.2020 of C.C.S, Hyderabad.
- e. Charge Sheet (Under Section 173 Cr.P.C.) Cr No. 1247/2022 for FIR No.75/2020.
- f. FIR No.171/2021 dated 02.04.2021 of Panjagutta PS, Hyderabad.

- xxx. Several civil suits have been against the Respondents (apart from respondent No. 7) and an Arbitration vide A.A. 46 of 2020 was preferred by the Respondent No. 6 and the same is pending adjudication. In furtherance to the above, the Respondent No. 2 had also preferred the following Protest Petitions against the Respondents 4 and 6
- xxxi. FIR No. 397/2020 was closed by the concerned PS, and Respondent No. 2 herein preferred a Protest Petition vide Crl. M.P. No. 348 of 2021 against the said closure. The Hon'ble III Additional Chief Metropolitan Magistrate at Hyderabad, vide its Order dated 28.04.2023, was pleased to allow the said Petition.
- xxxii. FIR No. 549/2021 was closed by the concerned PS, and Respondent No. 2 herein preferred a Protest Petition vide Crl. M.P. No. 549 of 2021 against the said closure. The said protest petition was allowed by the Hon'ble III Additional Chief Metropolitan Magistrate at Hyderabad.

- xxxiii. FIR No. 171/2021 was closed by the concerned PS, and Respondent No. 2 herein preferred a Protest Petition vide CrI. M.P. No. 1198 of 2023 against the said closure. The said protest petition was allowed by the Hon'ble XIV Additional Chief Metropolitan Magistrate at Hyderabad.
- xxxiv. A copy of FIR No. 349/2020 dated 28.06.2020 of Jubilee Hills PS, Hyderabad is attached herewith as Document No. 9. A copy of FIR No. 397/2020 dated 28.06.2020 of Banjara Hills PS, Hyderabad is attached herewith as Document No. 10. A copy of the Order dated 28.04.2023 in CrI. M.P. No. 348 of 2021 is attached herewith as Document No. 11. A copy of FIR No. 549/2021 dated 07.08.2021 of Banjara Hills PS, Hyderabad is attached herewith as Document No. 12. A copy of the Order dated 28.04.2023 in CrI. M.P. No. 549 of 2021 is attached herewith as Document No. 13. A copy of FIR No. 75/2020 dated 03.07.2020 of C.C.S, Hyderabad is attached herewith as Document No. 14. A copy of the Charge Sheet (Under Section 173 Cr.P.C.) Cr No. 1247/2022 for FIR No. 75/2020 is attached herewith as Document No. 15. A copy of FIR No. 171/2021 dated 02.04.2021 of Panjagutta PS, Hyderabad is attached herewith as Document No. 16. A copy of the Order dated 21.07.2023 in CrI. M.P. No. 1198 of 2023 is attached herewith as Document No. 17.
- xxxv. The contents of para 8 are false, baseless, and hence denied. The Complainant is put to strict proof of the same. The averments made in the first line of para 8 are not legible, and the Answering Respondents reserve their right to reply to the same. However, the same are denied for want of knowledge. It is denied that the Respondents are taking care of all the business transactions of receiving advances from buyers and making payments, but only avoiding the Complainant and not performing their part of the contract. Due to the increase in land prices and with a malafide intention of cheating the Complainant to earn money, the Respondents have been evading and avoiding the Complainant and also trying to alienate Flat No. 102 to others, breaching and violating the Agreement of Sale, and committing the breach of contract. It is submitted that the Complainant had entered

into the alleged Agreement of Sale dated 29.01.2019, wherein Respondent No. 4 had signed on behalf of the Firm (as Managing Partner) and as well as the landowners (as GPA Holder). The alleged Agreement of Sale is void ab initio and nonest in law as the same is without any authorization. The alleged Agreement of Sale is not binding upon Respondents 1, 2, 3, and 5, and no relief whatsoever can be claimed against Respondents 1, 2, 3, and 5 with regards to the same.

xxxvi. The contents of para 9 are false, baseless, and hence denied. The Complainant is put to strict proof of the same. It is denied that it is a clear conspiracy by the Respondents to cause harassment and to cheat and cause wrongful loss to the Complainant. It is further denied that the Respondents are fraudulently, maliciously, and unnecessarily dragging the Complainant into disputes in collusion with each other and on the other hand trying to alienate the Suit Schedule Property. It is submitted that the Complaint Schedule Property has already been alienated in favor of Respondent No. 7 herein vide registered Sale Deed bearing Doc. No. 269/2023 dated 08.02.2023. A copy of the Agreement of Sale dated 05.05.2018 is herewith attached as Document No. 18. A copy of the registered Sale Deed bearing Doc. No. 269/2023 dated 08.02.2023 is herewith attached as Document No. 19.

xxxvii. The contents of para 10 are false, baseless, and hence denied. The Complainant is put to strict proof of the same. It is denied that the Respondents colluded and conspired together with a malafide and fraudulent intention to cheat the Complainant and in that process, initiated COP and Arbitration Proceedings and other legal notices and public notices with an ill intention not to transfer and execute any registered Sale Deed or Conveyance Deed to the bonafide purchaser, i.e., Complainant. It is pertinent to note that the alleged Agreement of Sale is void ab initio and non-est in law as the same is without authorization, and as such, the Complainant does not fall under the purview of Purchaser and, therefore, cannot fall under the purview of Complainant before this Hon'ble Authority. It is denied that the Complainant's health has deteriorated drastically and that she was

hospitalized in ICU on 23.12.2020 and that at present, the Complainant is on a strict medication schedule due to stress and trauma caused by the Respondents as they have ignored the Complainant's constant pleas to complete the execution of the registered sale deed. The feeling of being a victim of fraud and cheating is constantly haunting the Complainant and has shaken her trust in future dealings, thereby leaving perpetual damage to her physical and psychological well-being. The Complainant is put to strict proof of the same.

xxxviii. The contents of para 11 are false, baseless, and hence denied. The Complainant is put to strict proof of the same. It is denied that whenever the Complainant, along with her husband Mr. Srinivas Rao, visited the office of the Respondents and requested the registration of the Flat, the Respondents threatened them with dire consequences, abused them in the most filthy and vulgar language, and misbehaved with the Complainant, saying that they are not scared of any authority. It is also denied that the Complainant and her husband have been suffering from serious old age-related ailments and that the Complainant's health deteriorated due to the criminal intimidation by the Respondents.

xxxix. The contents of para 12 are a matter of record and do not warrant any traverse.

xl. The contents of para 13 are false, baseless, and hence denied. The Complainant is put to strict proof of the same. It is denied that there was an agreement between the Complainant and M/s. Reliance Developers regarding the purchase of Flat No. 102 and that as per the agreement, the Complainant paid INR 1,20,00,000/- to M/s. Reliance Developers and Rajesh Kiran, who is the son of Purnachandra Rao and Managing Partner, who is authorized to make sale agreements on behalf of M/s. Reliance Developers. It is also denied that after receiving the amounts, the Reliance Developers members started avoiding and evading the Complainant with malicious malafide and fraudulent intentions and colluded together to conspire and cheat the Complainant. It is admitted that Respondent No. 2 executed a

registered Sale Deed bearing Doc. No. 269/2023 dated 08.02.2023 in favor of Respondent No. 7 herein.

- xli. In reply to the averments made in para 14, it is submitted that when Respondent No. 2 was called for investigation, Respondent No. 2 informed the concerned police authorities that he had alienated the Complaint Schedule Property in favor of Respondent No. 7 herein. It is denied that Respondent No. 2 has committed cheating and fraud, and the Complainant is put to strict proof of the same.
- xlii. The contents of para 15 are a matter of record and do not warrant any traverse. In fact, Respondents 2, 3, and 5 have also lodged criminal complaints against Respondents 4 and 6 for their wrongdoings.
- xliii. The contents of para 16 are false, baseless, and hence denied. The Complainant is put to strict proof of the same. It is denied that they are habitual offenders and highly influential persons with high chances of tampering with evidence, holding passports, and there is a high chance of escaping from this country as they are actually moving around the world. The Complainant is put to strict proof of the same.
- xliv. It is submitted that neither the Firm nor the partners of the Firm are signatories to the alleged Agreement of Sale dated 29.01.2019 said to be executed in favor of the Complainant. The alleged Agreement of Sale dated 29.01.2019 is without authorization and as such the same is void ab initio and non-est in law and not binding on Respondent No. 1 Firm or its partners. Further, it is submitted that as per the books of the accounts of Respondent No. 1 Firm, an amount of INR 45 Lakhs is shown to the credit of the Complainant under the head "Unsecured Loans" having received the same through the bank account. The said amount standing to the credit of the Complainant is payable to the Complainant as an unsecured loan, and the same is subject to the orders that may be passed by the Hon'ble Arbitrator in Arbitration Case No. 46/2020 pending before the Hon'ble sole arbitrator Justice Sri Goda Raghuram (Retired Judge, A.P. High Court).
- xlv. Therefore, in view of the above-mentioned circumstances of the case, it is prayed that this Hon ble Authority may be pleased to dismiss the

Complaint with exemplary costs and pass such other Order or Orders as this Hon'ble Authority deems fit and proper in the circumstances of the case.

23. Respondent No.4

- i. Respondent No. 4 was only an employee in the firm M/s. Reliance Developers. M/s. Reliance Developers Hyderabad was a partnership firm, with Sri Somuri Purnachandra Rao as the Managing Partner, who oversaw the firm's affairs. The partnership firm was registered before the Registrar of Firms in 2011. Respondent No. 4 worked as a salaried employee and acted according to the instructions and directions of the Managing Partner of the firm. Smt. Boppana Sarvani, Respondent No. 4's sister, was one of the partners in the firm. The firm had four partners: Sri S. Purnachandra Rao, Smt. Somuri Lakshmi, Smt. Boppana Sarvani, and Smt. Somuri Ravali, the wife of Respondent No. 4.
- ii. It is further humbly submitted that Respondent No. 4 was in no way concerned with the affairs of M/s. Reliance Developers, represented by its Managing Partner Sri S. Purnachandra Rao. Respondent No. 4 was only an employee and discharged duties at the instructions of the then Managing Partner of the firm. Respondent No. 4 had no involvement with the transactions that took place between Respondent No. 2 and the Complainant herein.
- iii. The present complaint before this Hon'ble Authority pertains to the project named Reliance Eternis at Begumpet, Hyderabad. The particulars of the project are as follows:

S.no	Project Name,Place, owners	Regd. DGPA Doc.no	TS RERA Reg.no	TS RERA REG. Date
1.	Reliance Eternis Begumpet,Hyd, Telangana	1161 of 2017	PO250000185	21-09-2019

- iv. It is further humbly submitted that TS RERA issued Form 'C', the registration certificate of project Reliance Eternis under Section 5, bearing registration number P02500000185 dated 21-01-2019.
- v. It is further humbly submitted that on 07-09-2021, Respondent No. 4 replied to the legal notice dated 29-08-2021 of the Complainant.
- vi. In his reply, Respondent No. 4 mentioned that he was only an employee in the firm M/s. Reliance Developers (dissolved firm) and that Respondent No. 2 used to look after the day-to-day affairs of the dissolved firm. Respondent No. 4 acted upon the directions of Respondent No. 2.
- vii. Respondent No. 4 clearly mentioned in his reply notice to the Complainant that the averments made in paragraph 2 of the Complainant's notice are false. It was the responsibility and binding duty of Respondent No. 2 to act as per the rules and regulations of the TS RERA Act. Respondent No. 4 acted only on the directions of Respondent No. 2.
- viii. It is further humbly submitted that the averments made in the Complainant's notice are all false and fabricated and are not binding upon Respondent No. 4.
- ix. Respondent No. 4 had no right to take independent decisions and always acted upon the instructions/directions of Respondent No. 2.
- x. Respondent No. 4, as per the instructions of Respondent No. 2, entered into an agreement of sale with the Complainant. The Complainant paid the sale consideration to Respondent No. 2, and the amounts were transferred to Respondent No. 1 firm by way of RTGS.
- xi. The Complainant never approached Respondent No. 4 and never requested him to execute the registered sale deed in her favor. In fact, Respondent No. 4 had no power or title to execute the registered sale deed in favor of the Complainant.

- xii. The averments made in paragraphs 7 and 8 of the notice of the Complainant are not related to Respondent No. 4, as he is not a partner of Respondent No. 1 firm and is only an employee. This fact is well known to the Complainant. The averments made in paragraph 9 of the notice of the Complainant are also not related to Respondent No. 4, who never agreed to give possession of Flat No. 102 to the Complainant after eleven months from the agreement of sale dated 29-01-2019.
- xiii. The averments made in paragraph 13 of the notice of the Complainant pertain to the transactions of Respondent No. 1 firm and are not related to Respondent No. 4.
- xiv. The averments made in paragraph 13 of the notice of the Complainant regarding the sale deeds executed by Respondent No. 2 in the names of Vikram Baaru, Vijaya Lakshmi Baaru, Anjani Rao, Arvind Baid, and Neeraj Baid are not related to Respondent No. 4.
- xv. The averments made in paragraphs 15 to 23 of the notice of the Complainant are not related to Respondent No. 4. The Complainant issued the legal notice at the instructions of Respondent No. 2. The agent is not concerned with the activities of Respondent No. 2, who is liable for the activities of his agent.
- xvi. The averments made in paragraph 24 are false, and Respondent No. 4 has not received any payment or amount from the Complainant at any point in time.
- xvii. The firm M/s. Reliance Developers was dissolved by Respondent No. 6 on 09-06-2020, and the dissolution was confirmed by the Hon'ble High Court of Telangana vide orders dated 08-06-2021 in Arbitration Application No. 46 of 2020. The relevant orders are annexed for reference, and the 46th paragraph confirming the dissolution is extracted below for ready reference:

"46. In the result, the arbitration application is allowed. Sri Justice Goda Raghuram, former Judge of High Court, is nominated as the sole Arbitrator for the resolution of the disputes (other than the dissolution as there is no

dispute regarding the same) between the applicant and the respondents, arising out of the partnership deed dated 27-10-2011 and amended partnership deed dated 18-09-2014, in accordance with the provisions and mandate of the Act of 1996. Miscellaneous petitions, if any, pending shall stand closed. There shall be no order as to costs."

- xviii. The Hon'ble High Court of Telangana in the above judgment in Arbitration Application No. 46 of 2020 categorically mentioned, starting from the 7th line of page no. 71 of the document, which is extracted below for ready reference.
- xix. Likewise, it was pleaded by the respondents that the husband of the applicant was the key person and he is the alter-ego of the applicant. But, admittedly, the husband of the applicant is an employee of the firm and he cannot be related to claims made in the arbitration. Moreover, he is neither a partner nor a party to the arbitration agreement and till date, he did not make any claim against the firm or the partners. Therefore, he is no way concerned with the affairs of the firm except in the capacity of an employee.

24. Respondent 6

- i. It is respectfully submitted that Respondents 2 and 3 are the father-in-law and mother-in-law, respectively, and the 5th Respondent is their daughter, i.e., Respondent No. 6's husband's elder sister.
- ii. It is further humbly submitted that all four persons established a Partnership Firm by the name M/s. Reliance Developers for development activities, including the construction of roads and highways, bridges, buildings, commercial or residential structures, and contract works of any kind from any Government, Quasi Government, local bodies, and/or private parties. They intended to execute or get executed any works on a sub-contract basis, either by taking from or giving to other contractors, and engage in related activities. It was further agreed that the partners might expand into any other business activity as decided from time to time.
- iii. It is further humbly submitted that these terms, along with several other terms, were included in the Partnership Deed dated 27-10-2011

- between Respondents No. 2, 3, 5, and 6. The 2nd Respondent was appointed as the Managing Partner of the Firm, M/s. Reliance Developers, while Respondent No. 6 agreed to act as the working partner of the firm, with Respondents 3 and 5 as partners.
- iv. It is further humbly submitted that, among several other terms of the Partnership Deed, the profit and losses of the firm, after charging interest and remuneration, were to be shared by all partners as per Clause No. 9 of the original partnership deed dated 27-10-2011. According to this clause, Respondent No. 6 is entitled to 25%, the 2nd Respondent is entitled to 10%, Respondent No. 3 is entitled to 40%, and the 5th Respondent is entitled to 25%. The remuneration to be paid to all of them was clearly mentioned in the deed as per Clause No. 7.
 - v. It is further humbly submitted that in 2014, Respondent No. 6 and Respondents No. 2, 3, and 5 intended to amend the original Partnership Deed dated 27-10-2011 regarding the profit, loss, and remuneration sharing pattern. Respondent No. 6 was accepted and declared as a 65% sharer, while Respondents 2 and 3 each held 5%, and the 5th Respondent held 25%. The amended deed was accepted to come into effect from 01-10-2014, with other clauses remaining as in the original Partnership Deed dated 27-10-2011.
 - vi. It is further humbly submitted that, pursuant to the establishment of the firm, with active support from her father Sajja Prabhakar, they undertook a total of 14 development projects, including the construction of apartment buildings as a developer under Development Agreements with respective owners.
 - vii. It is further humbly submitted that while all 14 projects commenced, six projects in Hyderabad were completed, and possession was given to the respective purchasers. However, the 2nd Respondent obtained occupancy certificates for only two projects and failed to obtain them for the remaining four. The other projects in Hyderabad and Vijayawada were half-completed and could not proceed further due to the mismanagement and actions of the 2nd Respondent, who was the Managing Partner of the Firm.

- viii. It is further humbly submitted that although Respondent No. 6 was the working partner of the firm, the 2nd Respondent, as the Managing Partner, had control over maintaining accounts and project completion. Despite commencing two major projects in Vijayawada, the entire construction work of the projects in Hyderabad and Vijayawada remained under the 2nd Respondent's control, and he never allowed Respondent No. 6 to participate in any activities, despite the trust placed in him.
- ix. It is further humbly submitted that the project Reliance Eternis at Begumpet, Hyderabad, was not completed due to the 2nd Respondent's mismanagement and misdeeds. He failed to properly account for all partners, especially Respondent No. 6, diverted firm funds for his own purposes, and did not render accounts by the financial year ending 31 March 2019, postponing it on various pretexts. It also came to light that the 2nd Respondent contracted several personal debts and attempted to convert them into firm loans, trying to show the firm's outstanding liability.
- x. It is further humbly submitted that when all these facts came to Respondent No. 6's knowledge, she was advised to withdraw from the firm M/s. Reliance Developers. Respondent No. 6 wrote letters dated 24-05-2019 and 12-06-2019, withdrawing from the partnership and asking the 2nd Respondent to settle her capital, loan, remuneration, and profits. Her withdrawal from the firm M/s. Reliance Developers was accepted with effect from 12-06-2019. Respondent No. 6 has no role in the affairs of the firm after this date. Consequently, the firm M/s. Reliance Developers was reconstituted by deleting the name of Respondent No. 6, and a new partnership deed dated 12-06-2019 was executed by Respondents 2, 3, and 5, confirming her withdrawal and acceptance.
- xi. It is further humbly submitted that Respondent No. 6 reserved her right to seek legal action and claim all her dues under the Partnership Deed, including capital, loan, remuneration, and profits, against the partnership firm and the remaining partners.

- xii. It is further humbly submitted that the firm M/s. Reliance Developers took up various projects, including the development of land and construction of flats, under an agreement dated 06-07-2015 entered into with the Complainant for the development of G+2 floors of residential apartments at Bhashyam Street, Teachers Colony, behind Green Hotel, Vijayawada, on her land admeasuring 481.84 square yards.
- xiii. It is further humbly submitted that Respondent No. 6 was never informed about the agreements or their copies with the complainant by the 2nd Respondent, who was in sole control of the project. Respondent No. 6 was never provided with copies of agreements or informed about the partnership firm's commitments. Respondent No. 6 was kept in the dark regarding the said project, and Respondents 2, 3, and 5 executed the work without her participation.
- xiv. It is further humbly submitted that the 2nd Respondent executed the work at the complainant's project, initially carried out up to the basement level. However, due to the 2nd Respondent's financial mismanagement and deviation of firm funds to his personal account, the project could not be completed. Subsequently, the complainant filed a case before your Hon'ble Authority.
- xv. It is respectfully submitted that Respondent No. 6 was informed that the complainant lodged a complaint before your good offices under Rule 34 (1) & (2) of the TS Real Estate (Regulation & Development) Act 2016 & Rules 2017. However, as previously stated, Respondent No. 6 received the complaint copy and complete set of documents only on 06-10-2023. Therefore, the Hon'ble Authority, having received the Respondent No. 6's reply letter dated 01-09-2023, must consider the facts presented in this detailed reply and also grant time to submit any further information, if needed.
- xvi. It is further humbly submitted that after the passing of the above orders by the Hon'ble High Court of Telangana, Respondent No. 6 came to know of further irregularities committed by the 2nd Respondent, in complete contravention of Section 11 of the RERA Act, which mandates

the promoter to act and implement the provisions of the Act in their true letter and spirit.

- xvii. It is further humbly submitted that Respondent No. 6, in her Claim Statement filed in Arbitration Claim No. 1 of 2021 in Arbitration Application No. 46 of 2020, annexed hereto, has prayed to the Hon'ble Sole Arbitrator to declare the Agreements of Sale and Sale Deeds executed by the 2nd Respondent in favor of the alleged purchasers null and void in the eyes of the law and contrary to the provisions of the RERA Act. Respondent No. 6 prayed for 65% of her share of flats allotted in the name of M/s. Reliance Developers (Dissolved Firm) as per the Amended Partnership Deed dated 18-09-2014. Respondent No. 6 prayed for partition and separate possession of her 65% share of flats out of the Developer's share, i.e., flats allotted in the name of Reliance Developers (Dissolved Firm). The subject claim is pending before the Arbitral Tribunal between Respondents Nos. 2, 3, 5.
- xviii. It is further humbly submitted that Respondent No. 6 became aware of the registration of Sale Deed bearing No. 269/2023 dated 08-02-2023 pertaining to Flat No. 102 in Reliance Eternis at Begumpet, Hyderabad, through the first undated letter from the Secretary, TS RERA. The sale deed was registered subsequent to the dissolution of the firm (i.e., on 09-06-2020) and the passing of sale consideration mentioned in the said sale deed was not routed through the RERA accounts, as the operation of the accounts in Hyderabad was stalled subsequent to the dissolution on 09-06-2020. The aforementioned sale deed, registered after the dissolution of the firm and subsequent to the judgment by the Hon'ble High Court in Arb. Appl. No. 46 of 2020 on 08-06-2021, demonstrates the 2nd Respondent's audacity in disregarding the judgment of the Hon'ble High Court, amounting to disobedience.
- xix. It is further humbly submitted that the above-mentioned document registered on 09-06-2020 is a voidable transaction, as Respondent No. 6 had, in her first legal notice dated 06-05-2020, categorically demanded the 2nd Respondent refrain from any transactions in the name of the firm, having lost trust and confidence in the 2nd

Respondent and disputing the management of the firm's accounts and funds. Nonetheless, the 2nd Respondent willfully and intentionally created the above-registered document.

- xx. It is further humbly submitted that Respondent No. 7 filed OS No. 43 of 2021 before the 1st Addl Chief Judge Court, Secunderabad, Telangana against eight respondents, including Respondents Nos. 1 to 3, 5, 6 of this complaint and three landowners of the DAGPA. On 31-03-2023, Respondent No. 7 filed a memo to not press the suit, resulting in its dismissal. This act of filing and withdrawing the civil suit by Respondent No. 7 illustrates a collusion with Respondents Nos. 2, 3, 5 to register the sale deed illegally without the consent of Respondent No. 6.
- xxi. It is further humbly submitted that Respondent No. 2 does not have any right to register the above-mentioned sale deed without the consent of Respondent No. 6, as the Hon'ble High Court of Telangana categorically confirmed the dissolution of M/s. Reliance Developers in Para No. 46 at Pages 106, 107 of the list of documents. Due to the short time given by the TS RERA committee members to Respondent No. 6 to submit the reply, the enclosed encumbrance certificate obtained online shows that Respondent No. 2 executed the sale deed on behalf of a defunct and dissolved firm (M/s. Reliance Developers). Respondent No. 6 obtained the certified copy of the illegal sale deed No. 269/2023 dated 08-02-2023 pertaining to Flat No. 102 in Reliance Eternis at Begumpet, Hyderabad, and the following observations are recorded from the sale deed:
- i. As per the sale deed, Respondent No. 2 executed the registered sale deed in favor of Respondent No. 7 illegally in the capacity of the Managing Partner of the dissolved firm M/s. Reliance Developers without the consent of Respondent No. 6. How can Respondent No. 2 execute a registered sale deed as the Managing Partner of a dissolved firm?
 - ii. As per Para No. 1 of Page No. 262 of the list of documents, Respondent No. 2 in the capacity of the Managing Partner of the dissolved firm M/s. Reliance

Developers settled with Respondent No. 7 illegally for Rs. 25,00,000 (Rupees Twenty-Five Lakhs Only). How can Respondent No. 2 settle with Respondent No. 7 for Rs. 25,00,000 when the Vendor No. 4 itself is a dissolved firm?

iii. As per Para No. 1 of Page No. 262 of the list of documents, Respondent No. 2 diverted the amounts paid by Respondent No. 7 illegally to benami suppliers, stated as "at the instance of Developer/Vendor No. 4," without the consent of Respondent No. 6. How can Respondent No. 2 divert the funds to benami persons without routing them through proper TS RERA Bank Accounts?

iv. The above diversion of Rs. 25,00,000 is evident from Para Nos. 1(a) to 1(e) at Page No. 264 of the list of documents.

v. Respondent No. 2, who is fortunately not a doctor by profession, is capable of performing a surgery/operation on a dead person (like a dead firm in this case) and collecting money against the same surgery/operation.

xxii. It is further humbly submitted that the matter pertaining to the suit filed by Respondent No. 7 is elaborately discussed in the ongoing Arbitral Proceedings before Justice Goda Raghuram (Retd) between Respondents Nos. 2, 3, 5, and 6. During these discussions, Respondent No. 6 came across an amount of Rs. 60,00,000 (Rupees Sixty Lakhs Only) shown by the 2nd Respondent in the Income Tax Returns filed by him and submitted before the Arbitral Proceedings for the A.Y. 2020-21 dated 15-02-2021 at 13:48 hrs as "Unsecured Loan" at Page Nos. 001713, 001723, and more specifically at Page No. 001855 of Volume 8 annexed herewith, not under the head of Advances from Customers/Purchasers. Respondent No. 6 should applaud the 2nd Respondent's capability in showing the amounts as per his convenience across various statutory authorities like Income Tax, TS RERA, and Arbitration Proceedings, attempting to twist the real facts of the case and shift the burden of the amount onto Respondent No. 6. The above-mentioned Income Tax Returns were filed by Respondent No. 2 on behalf of the dissolved firm after dissolution without the consent of Respondent No. 6.

- xxiii. It is further humbly submitted that the matter pertaining to the Arbitral Proceedings before Justice Goda Raghuram (Retd) between Respondents Nos. 2, 3, 5, and 6 revealed an amount of Rs. 45,00,000 (Rupees Forty-Five Lakhs Only) shown by the 2nd Respondent in the Income Tax Returns filed by him and submitted before the Arbitral Proceedings for the A.Y. 2020-21 dated 15-02-2021 at 13:48 hrs as "Unsecured Loan" at Page Nos. 001712, 001722, and as "Sundry Creditor" at Page No. 001832 of Volume 8 annexed herewith, same as Volume 8 as list document No. 22. Respondent No. 6 is totally unaware of the cash transactions mentioned in the Agreement of Sale dated 29-01-2019 of the Complainant. Respondent No. 6 should again applaud the 2nd Respondent's capability in showing the amounts as per his convenience across various statutory authorities like Income Tax, TS RERA, and Arbitration Proceedings, attempting to twist the real facts of the case and shift the burden of the amount onto Respondent No. 6. The above-mentioned Income Tax Returns were filed by Respondent No. 2 on behalf of the dissolved firm after dissolution without the consent of Respondent No. 6.
- xxiv. It is further humbly submitted that Respondent No. 6 replied on 12-09-2021 to the legal notice dated 29-08-2021 from the Complainant.
- xxv. It is directed that both parties are to be equally responsible for completing both projects as soon as possible and for handing over the flats to the allottees at the earliest to avoid further complications. Despite the dissolution of the firm, the firm does not cease to exist until all liabilities are cleared and necessary obligations are performed. Therefore, the promoter firm is entitled and duty-bound to continue the project in the capacity of the promoter to avoid future complaints and litigation. Hence, Issue No. 2 is decided accordingly.

25. Respondent 7

- i. At the outset, all the averments/allegations made in the above complaint are false and incorrect, and are hereby denied. The Complainant is put to strict proof of the same. The Complainant has filed the above complaint

with unclean hands and by suppressing material particulars. As such, the above complaint is neither maintainable in law nor as per the averments on record, and the above complaint is liable to be dismissed in limine. Nothing herein shall be deemed to be admitted for the reason of non-traverse.

- ii. The Respondent takes the following preliminary objections regarding the maintainability of the above complaint filed by Smt. Basham Shobha Rani.
- iii. The Respondent submits that the above complaint filed by Smt. Basham Shobha Rani is based on false and baseless allegations and is not maintainable as per the provisions of the Telangana State Real Estate (Regulation & Development) Act, 2016.
- iv. The Respondent submits that in the above complaint, the Complainant has sought relief to register Flat No. 102, H.No.1-10-38/2, Reliance Eternis, Begumpet, Hyderabad, Telangana State in favor of the Complainant, and for cancellation and declaration of Sale Deed dated 08.02.2023 bearing Doc. No. 269/2023 as void and illegal, and to blacklist the developer. It is respectfully submitted that the prayer in the above complaint does not fall within the purview and ambit of the RERA Act, 2016 and the rules framed thereunder. It is further submitted that the reliefs sought in the complaint are declaratory in nature and adjudication of the same can only be dealt with by the competent civil court. Therefore, on this ground alone, the complaint is liable to be dismissed.
- v. The answering Respondent submits that the powers of this Hon'ble Regulatory Authority are described under Section 38 of the TS RERA Act, 2016. Section 38 reads as follows:

Powers of Authority (1) The Authority shall have powers to impose penalty or interest, in regard to any contravention of obligations cast upon the promoters, the allottees and the real estate agents, under this Act or the rules and regulations made thereunder. (2) The Authority shall be guided by the principles of natural justice and subject to the other provisions of this Act and the rules made thereunder, the Authority shall have powers to regulate its own procedure. (3) Where an issue is raised relating to agreement, action, omission, practice or procedure that: (a) has an appreciable prevention, restriction, or distortion of

competition in connection with the development of a real estate project; or (b) has the effect of market power or monopoly situation being abused for affecting the interest of allottees adversely, then the Authority may suo motu make reference in respect of such issue to the Competition Commission of India."

- vi. It is submitted that the powers of this Hon'ble Authority under the TS RERA Act, 2016 are limited only to impose penalty or interest regarding any contravention of obligations of the developer/promoter. Further, as per Section 40 of the RERA Act, 2016, if the promoter, allottee, or a real estate agent fails to pay the interest or penalty or compensation imposed on him, then the same can be recovered in such manner as may be prescribed as arrears of land revenue. Therefore, even as per the RERA Act itself, there is no procedure prescribed to cancel a Registered Sale Deed and further to grant a declaratory relief declaring the Registered Sale Deed validly executed in favor of the answering Respondent as null and void. On this ground alone, the above complaint is liable to be rejected and dismissed.
- vii. Respondent submits that this Hon'ble Authority, under the provisions of the RERA Act, 2016, does not have the authority/power to register any property nor has the authority/power to cancel/declare registered documents such as registered Sale Deeds as null and void. Further, the Complainant filed the above complaint seeking reliefs which are beyond the scope and jurisdiction of this Hon'ble Authority, and as such, the said complaint is liable to be dismissed in limine.
- viii. The Respondent submits that the Complainant, by way of crafty and misleading drafting, has sought to give an impression to this Hon'ble Authority that the Complainant is the rightful purchaser by virtue of an Agreement of Sale dated 29.01.2019 for the purchase of Flat No. 102. However, the answering Respondent entered into an Agreement of Sale dated 05.05.2018 to purchase the West side Flat No. 102, 1st Floor, having a built-up area of 1900 sq.ft with 71 sq.yds of undivided share of land out of 710.25 sq.yds along with two car parking spaces on the stilt floor, in the premises "RELIANCE ETERNIS" bearing Municipal House No. 1-10-38/2, situated at Begumpet, Secunderabad with M/s Reliance Developers, represented by its Managing Partner, Mr. Somuri Purnachandra Rao, for a

consideration. Thereafter, a valid Registered Sale Deed dated 08.02.2023 bearing Doc. No. 269/2023 was executed in favor of the answering Respondent. As such, the Complainant, as a forum shopping technique, has initially filed the above complaint based on clever drafting only to mislead this Hon'ble Court for obtaining favorable orders.

- ix. It is submitted that the complaint is filed by completely misconstruing, misrepresenting, and misconceiving the provisions of the RERA Act, 2016.
- x. The Respondent respectfully submits that the institution of the above complaint seeking reliefs such as to register an immovable property, cancel a registered sale deed, and declare a registered sale deed as null and void, and the adjudication of the complaint on mentioned grounds which do not fall within the purview/ambit/scope and jurisdiction of this Hon'ble Authority, is a clear abuse of process of law. As such, the complaint is liable to be dismissed in limine.
- xi. It is respectfully submitted that after due deliberations and based upon the representations of the Respondent No. 1, represented by Respondent No. 2, the answering Respondent agreed to purchase the West side Flat No. 102 on the 1st Floor, having a built-up area of 1900 sq.ft (inclusive of balconies and common areas) with 71 sq.yds of undivided share of land out of 710.25 sq.yds along with two car parking spaces on the stilt floor in the premises "RELIANCE ETERNIS" bearing Municipal House No. 1-10-38/2, situated at Begumpet, Secunderabad (hereinafter referred to as the "Subject Flat") for a valid sale consideration amount.
- xii. Thereafter, the answering Respondent entered into an Agreement of Sale dated 05.05.2018 to purchase the West side Flat No. 102, 1st Floor, having a built-up area of 1900 sq.ft with 71 sq.yds of undivided share of land out of 710.25 sq.yds along with two car parking spaces on the stilt floor, in the premises "RELIANCE ETERNIS" bearing Municipal House No. 1-10-38/2, situated at Begumpet, Secunderabad, with M/s Reliance Developers, represented by its Managing Partner, Mr. Somuri Purnachandra Rao, for a total sale consideration of Rs.85,00,000/- (Rupees Eighty-Five Lakhs only), out of which a sum of Rs.60,00,000/- (Rupees Sixty Lakhs only) was paid by the answering Respondent as an advance sale consideration, and the

balance amount of Rs.25,00,000/- (Rupees Twenty-Five Lakhs only) was to be paid by the answering Respondent to Respondent No. 1 herein on or before registration of the Sale Deed. A copy of the Agreement of Sale dated 05.05.2018 is filed herewith as Document No. 1. A copy of the Respondent No. 7's bank statement evidencing payment of Rs.60,00,000/- (Rupees Sixty Lakhs only) as an advance sale consideration is filed herewith as Document No. 2.

- xiii. It is respectfully submitted that the construction of the Subject Flat was completed in all respects and as per the terms of the Agreement of Sale dated 05.05.2018, the possession of the Subject Flat was handed over to the answering Respondent herein by Respondent No. 1 on 01.06.2022, and the balance sale consideration amount of Rs.25,00,000/- (Rupees Twenty-Five Lakhs only) was also paid to Respondent No. 1 herein.
- xiv. It is respectfully submitted that pursuant to the Agreement of Sale dated 05.05.2018, a valid Registered Sale Deed dated 08.02.2023 bearing Doc. No. 269/2023 was executed by Respondent No. 1 in favor of the answering Respondent herein. The Sale Deed was duly signed by both parties and registered with the Sub-Registrar, Hyderabad. A copy of the Sale Deed dated 08.02.2023 bearing Doc. No. 269/2023 is filed herewith as Document No. 3.
- xv. The Respondent submits that the contents of para 1 are denied as false and incorrect. It is respectfully submitted that the Complainant entered into an Agreement of Sale dated 29.01.2019 with Respondent No. 1 for purchasing the same Subject Flat. However, the Subject Flat was already sold to the answering Respondent as per the Agreement of Sale dated 05.05.2018. Therefore, the Agreement of Sale dated 29.01.2019 executed between the Complainant and Respondent No. 1 is invalid and unenforceable as the same property was already sold to the answering Respondent.
- xvi. The Respondent submits that the contents of para 2 are denied as false and incorrect. The Respondent denies that the Respondent No. 1 suppressed material facts and misrepresented the status of the property to the Complainant. It is respectfully submitted that Respondent No. 1

executed the Agreement of Sale dated 29.01.2019 with the Complainant knowing full well that the Subject Flat was already sold to the answering Respondent.

- xvii. The Respondent submits that the contents of para 3 are denied as false and incorrect. The Respondent denies that the Complainant is the lawful owner of the Subject Flat. It is respectfully submitted that the answering Respondent is the lawful owner of the Subject Flat by virtue of the Agreement of Sale dated 05.05.2018 and the subsequent Registered Sale Deed dated 08.02.2023 bearing Doc. No. 269/2023.
- xviii. The Respondent submits that the contents of para 4 are denied as false and incorrect. The Respondent denies that the Respondent No. 1 executed the Agreement of Sale dated 29.01.2019 with the Complainant after obtaining necessary permissions and clearances. It is respectfully submitted that Respondent No. 1 executed the Agreement of Sale dated 29.01.2019 with the Complainant without disclosing the prior Agreement of Sale dated 05.05.2018 executed with the answering Respondent.
- xix. The Respondent submits that the contents of para 5 are denied as false and incorrect. The Respondent denies that the Complainant made all necessary payments to Respondent No. 1 as per the terms of the Agreement of Sale dated 29.01.2019. It is respectfully submitted that the Complainant failed to verify the title and ownership of the Subject Flat before entering into the Agreement of Sale dated 29.01.2019 with Respondent No. 1.
- xx. The Respondent submits that the contents of para 6 are denied as false and incorrect. The Respondent denies that the Respondent No. 1 delivered possession of the Subject Flat to the Complainant. It is respectfully submitted that Respondent No. 1 delivered possession of the Subject Flat to the answering Respondent as per the terms of the Agreement of Sale dated 05.05.2018.
- xxi. The Respondent submits that the contents of para 7 are denied as false and incorrect. The Respondent denies that the Complainant has a valid and subsisting Agreement of Sale dated 29.01.2019. It is respectfully submitted that the Complainant's Agreement of Sale dated 29.01.2019 is

invalid and unenforceable as the Subject Flat was already sold to the answering Respondent.

- xxii. The Respondent submits that the contents of para 8 are denied as false and incorrect. The Respondent denies that the Complainant is entitled to any reliefs as prayed for in the complaint. It is respectfully submitted that the Complainant is not entitled to any reliefs as the answering Respondent is the lawful owner of the Subject Flat by virtue of the Agreement of Sale dated 05.05.2018 and the subsequent Registered Sale Deed dated 08.02.2023 bearing Doc. No. 269/2023.
- xxiii. In view of the above-mentioned facts and circumstances, it is respectfully submitted that the above complaint filed by the Complainant is not maintainable and is liable to be dismissed in limine.

F. Written Arguments:

26. Pleadings on behalf of the Complainant:

- I. It is submitted that, the Respondents are absolute owners and possessors of property i.e., West faced residential flat bearing No.102 on First Floor having a super built up area of 1900 Sq.ft. (inclusive of Balconies and common areas) with 71 Sq Yards of undivided share of land out of 710.25 Sq Yards equivalent to 593.8 Sq.Mtrs, along with Two cars Parking on Stilt floor in the premises 'RELIANCE ETERNIS' in the premises bearing M.H.No.1-10-38/2. situated at Begumpet, Hyderabad offered to alienate the same in favour of the Complainant for a total sale consideration of Rs.1,32,50,000/- (Rupees One crore thirty two lakhs fifty thousand only) and for that the Complainant had agreed and accepted to purchase the same. (which is hereinafter referred to as suit schedule property).
- II. It is submitted that, as per the above said offer and acceptance the Complainant have paid Rs.1,20,00,000/- (Rupees One Crore Twenty Lakhs Only) i.e., 90% out of entire sale consideration and the same was acknowledged by the Respondent No.4 herein as authorized person on behalf of Respondent No.1 and 2 and others. 3. It is submitted that, as

a matter of fact Respondent No. 2 to 6 are same family members. Respondent No.2 and 3 are husband and wife, Respondent No.4 is son and Respondent No.6 is daughter of Respondent No.2 and 3. Respondent No.5 is wife of Respondent No.4. All the Respondents doing business under the name and style of M/s. Reliance Developers, entered into Development Agreement cum Irrevocable GPA with Shikaram Ramananda Gupta, Venkatarama Raviphani Kumar Gupta and Chitra Nag Kanumary with regard to the residential land property admeasuring 710.25 Square Yards or 593.8 Square Meters, in the premises bearing M.H.No 1-10-38/2, situated at Begumpet, Hyderabad in which Suit Schedule Property is situated.

- III. It is submitted that, Respondent No.4 is authorized to act on behalf of Respondent No.1 for conducting day-to-day business transactions in Hyderabad, as Respondent No.2 was busy in other projects of Telangana and Andhra Pradesh states. Respondent No.4 has authority to execute Sale Agreements and receive the amounts and issue receipts to that effect in their day to day business transactions. The authorization was given to Respondent No.4 on 28.11.2018 by Respondent No.2 as Managing Partner of M/s.Reliance Developers and Subsequently the Respondent No.4 had entered into Agreement of Sale with the Complainant on 29.01.2019.
- IV. It is submitted that, the total sale consideration of the Suit Schedules Property was valued at Rs.1,32,50,000/- (Rupees One crore thirty two lakhs fifty thousand only) and the Complainant has paid Rs.1,20,00,000/- (Rupees One Crore Twenty Lakhs Only) in total, till date which is more than 95% of tota sale consideration. The amounts paid in pursuant to the above said agreemen of sale on various dates i.e., (1) Rs.29,00,000/- (Rupees Twenty nine lakhs onl paid by way of RTGS vide UTR No, SBINRS201902200101925 dated 22-01-201- (2) Rs.1,00,000/- (Rupees One Lakh only) by way of Check No.667626 dated 2 01-2019 of SBI, Chandrayangutta, Kanchanbagh Branch, Hyderabad (Rs. 75,00,000/- (Rupees Seventy five lakhs only) by way of cash. C Subsequently, after the agreement of sale, an amount of

Rs.10,00,000/- (Rupees Ten lakhs on) was paid by way of RTGS vide UTR No. SBINRS2019031100107649 dated 11.03.2019 of SB1, Chandrayangutta, Kanchanbagh Branch, Hyderabad and (5) an amount of Rs.5,00,000/- (Rupees Five lakhs only) was paid by way of RTGS vide UTR No. ORBCH9283051716 dated 10.10.2019 of OBC, Santhosh Nagar Branch, Hyderabad. It is further submitted that, it was mutually agreed that the Complainant shall pay the remaining amount of balance sale consideration after completion of Fifth Floor Slab, Brick Work and Completion of Plastering at the time of handing over the flat to the Respondent 5. It is submitted that, while the things stood thus, after payment of advance sale consideration on the last occasion on 10.10.2019 the Complainant started requesting the Respondents to receive the balance sale consideration amount and execute the registered sale deed in her favor, but the Respondents had been postponing the matter on one pretext or the other for the reasons best known to them, but they were not ready to perform their part of contract. Meanwhile, Respondent No.6 gave PUBLIC NOTICE on 09.08.2020 in Eenadu daily News Paper stating that "she as a partner of M/s Reliance Developers, Hyderabad was compelled to Dissolve the said firm by way of Legal Notice dated 09.06.2020 and followed it with a paper publication dated 11.06.2020 to other partners Sri Somuri Purnachandra Rao, Smt Samuri Lakshmi and Smt Boppana Sarvani. She filed Arbitration Application and cautioned the general public not to enter into any agreements or any type of sale deeds, which is against her interest".

- V. It is submitted that, the Complainant was shocked, astonished and dismayed to see the Public Notice by Respondent No.6, wife of Respondent No.4 and daughter-in-law of Respondent No.2, who issued a Public Notice through P. Rajesh Babu, Advocate on 09.08.2020. The family disputes among the Respondents are totally against the interests and rights of Complainant. The Respondents all have committed Breach of contract and breach of trust against the Complainant as per Agreement of Sale, though the Complainant paid 95% of Sale

Consideration and is ready to pay the balance Sale consideration of Rs.12.50,000/- (Rupees Twelve lakhs fifty thousand only) and performed her part contract. The Respondents all had agreed to give the possession of Flat No.102, to the Complainant after 11 months from the date of Agreement of Sale dated 29.01.2019, but failed to perform the said contract also. Respondent No.2 also registered two Flats to other purchases, being the Managing Partner of the firm, the details are as under:

1). Vikram Baru, Vijayalakshmi Baru & Anjani Rao, Sale Deed No. 745/2021 dated 15.03.2021 Flat No.401. Aravind Baid, Neeraj Baid, Sale Deed No. 746/2021 dated 15.03.2021 Flat No.502.

VI. It is submitted that, the Respondents are not inclined to come forward to register the Flat No.102 in favour of Complainant with a malafide, malicious and with fraudulent intentions, defying logic and reasoning in order to syphon my property and in order to gain unlawfully and to cause wrongful loss to the Complainant herein. The Respondents are having financial disputes is their own created, false and fabricated story and the story is cooked up cock and bull story in order to escape from their legally enforceable duty to execute Registered Sale Deed in favour of Complainant and to perform their part of contract, as all have conspired together to evade and avoid Registration of Flats sold to purchasers and for completion of the project in time and hand over possession of flats.

VII. It is submitted that, Respondents are actively involving in all other affairs of the firm and taking care of all the business transactions of receiving advances from buyers and making payments, but only avoiding the Complainant and not performing their part of contract. It is pertinent to mention here that, due to increase in land prices and with a mala-fide intention of cheating the Complainant, to earn more money, Respondents have been evading and avoiding the Complainant and also trying to alienate the Flat No.102 to others and breaching and violating the Agreement of Sale and committed breach of Contract.

- VIII. It is submitted that, it is a clear conspiracy by the Respondents to cause harassment and to cheat and cause wrongful loss to the Complainant. Further Respondents are fraudulently, maliciously and unnecessarily dragging the Complainant in disputes in collusion with each other and on the other hand, trying to alienate the Suit Schedule Property in favour of third parties. 10. It is submitted that, the Respondents colluded and conspired together with a mala-fide and fraudulent intention to cheat the Complainant and in that process, initiated COP and Arbitration proceedings and other legal notices and public notices with an ill-intention, not to transfer and execute any registered sale deed or conveyance deed to the bonafide purchaser i.e., Complainant. The Complainant health has deteriorated drastically and had hospitalized in the ICU on 23 December 2020. At present the Complainant is on strict medication schedule due to the stress and trauma caused by the Respondents as they all have ignored the Complainant constant pleas to complete the execution of registered sale deed. The feeling of being a victim of fraud and cheating is constantly haunting the Complainant and has shaken her trust in future dealings very badly thereby leaving a perpetual damage to her physical and psychological well-being.
- IX. It is submitted that, whenever the Complainant along with her husband Mr.Srinivas Rao visited the Office of Respondents and requested for registration of Flat, the Respondents had threatened them with dire consequences and abused in most filthy language and vulgar language, they also misbehaved with the Complainant saying that they are not scared of any authority. The Complainant and her husband are senior citizens and have been suffering from serious old age related ailments. The Complainant health got deteriorated due to the criminal intimidation and fraudulent acts of the Respondents.
- X. It is submitted that, has lodged a complaint and it is Re-registered as FIR.No 550/2022 U/S 406, 420 R/w 34 IPC after getting transferred from Jubilee hills Police station Crime No. 190/2020 dt.30.09.2022 to panjagutta Police station.

- XI. It is submitted that, there was a agreement between me and M/S Reliance Developers regarding for the purchase of flat No.102 and as per the agreement Complainant paid a sum of RS. 1,20,00,000/- to M/S Reliance Developers and Rajesh Kiran who is the son of purnachandra Rao and Managing partner who is authorized to make sale of flats agreements on behalf of M/S Reliance Developers. After receiving the amounts the Reliance Developers members started avoiding evading me with malicious malafide and fraudulent intentions and all colluded together conspired and cheated me as Mr.Purmachander Rao MD M/S Reliance Developers stated and admitted before the police Panjagutta to pat he has already sold the flat No.102 to Mr. Kiran Kabalavai S/o Sri Kabalival Keshava Rao, through vide Document 269/2023 dt. 08.02.2023.
- XII. It is submitted that, as purnachandra rao called for investigation stated that the flat has been registered to another person and he is not responsible for anything and vehemently opposed to respond to Complainant demand. It is further submit that, Respondent No.2 admitted before the police panjagutta that he already sold and registered the flat to some other person and hence committed cheating and fraud and in his counter Filed by R-2 Para No. 41
- XIII. It is submitted that, as it came to complainant notice and by R-2 in his counter Para No. 34 that there are many cases pending on Rajesh kiran and other members with different cases on different sites playing fraud and cheating many people with crime number Cr.No 349/2020, Cr.No 397/2020, Cr. No 75/2020, Cr.No. 171/2021 Complaint dated 09.04.2021, and the registered company has been closed and branch also in somajiguda, Lovely Mansion House got closed admitted by R-2 in his counter and written submissions before the authority.
- XIV. It is submitted that, they are habitual offenders and highly influential persons and high chances of tampering of evidence and holding passports and there is high chance of escaping from this country as they are actually moving around the world.

- XV. It is submitted that, a legal notice Dt.29.08.2021 has been issued to respondent No. 1 to 6 and respondent No. 4 and 5 replied on Dt.12.09.2021 and Respondent No.4 has stated in the para No. 6 of the reply notice entered into the agreement of sale with the complainant and paid sale consideration to the Managing partner of the Firm Mr. S. Purnachandra Rao and also some amount were transferred to the Respondent firm by way of RTGS And admitted by R-4 in his counter before the RERA authority.
- XVI. It is submitted that, with respect to para No. 4, 5, 6, 7, 8 with respect to the jurisdiction and the petition is maintainable as the complainant is the aggrieved purchaser/ Agreement of Sale holder signed by the Authorized signatory Respondent No. 4 i.e, Mr. S. Rajesh Kiran who has been registered the project Reliance Eternis in the premises bearing No. M. H no : 1-10-38/2 situated at Begumpet, Prakash Nagar, Hyderabad, and obtained the Project Registration No. P02500000185. It is further Submitted that, the Telangana Real estate Regulatory Authority does have the Authority/ power to register any property registered under them U/S 17 le Transfer of Title "as the competent authority as the case may be and hand over the physical possession of the apartment or building if the promoter/developer violates provisions of the RERA ACT 2016 and resorts to fraudulent transfer/mutations denying the rightful legally entitled title claim of the homebuyer, and also cancel the registration of documents by issuing directions/order to the sub-Registrar" admitted by R-4 and R-7 in their counter and R-7 in his written submissions.
- XVII. It is submitted that, with respect to Para No. 7 the RERA can return of Amount and award compensation with interest as per U/Sec 18 and also U/Sec 71 power to adjudicate and also U/Sec 72(c & d) the repetitive nature of default and such other factors which the adjudicating officer considers necessary to the case in furtherance. It is further submitted that, the U/Sec 79 No civil court shall have jurisdiction to entertain any suit or proceeding in reply notice entered into the agreement of sale with the complainant and paid sale

consideration to the Managing partner of the Firm Mr. S. Purnachandra Rao and also some amount were transferred to the Respondent firm by way of RTGS And admitted by R-4 in his counter before the RERA authority. It is further submitted and its aptly clear the R-7 is a financier and R-2 through his advocated Replied Dt. 04.05.2021 that the partnership has dissolved at the instance of R-6 and denied R-2, 3, 5 had no role to play in the decision of R-7 purchasing the said flat at Reliance Eternis and R-7 in OS. No. 43 of 2021 Para No. 19 & 20 that R-2 Managing Partner of the firm was trying to plead ignorance about the very execution of Agreement of Sale dt. 05.05.2018. It is further submitted that the OS No. 43 of 2021 has been withdrawn as not pressed unilaterally by the R-7 in the 1 ACJ Sec and as such no legally entitled right accrued by the R-7. It is aptly clear as R-2 has admitted in his counter that is well within the knowledge of the R-7 with respect to existence of Agreement of sale Dt. 29.01.2019 but was not made a party in OS. No. 43 of 2021 is nothing but suppression of facts and obtaining status Quo and later again with drawing the suit makes it very clear R-2, 3, 5 & 6 connived and conspired to deprive the legitimate and entitle right of complainant.

- XVIII. It is submitted that, with respect to Para No. 8 the Authorized signatory with the RERA is only empowered to enter/execute the Agreements of Sale in connection with the sale of flats and receive the amounts and issue the receipts of that effect. It is further submitted that, the as per the clause 5 of the partnership deed dt.27.10.2011 Document bearing No. 3248 of 2011, "the Managing Partner shall also have the power to appoint necessary staff to maintain the books of account, to incur necessary expenditure and to do all acts and things necessary and incidental to carry on the business of the firm", and Mr. S. Rajesh Kiran Respondent No.4 designated as CEO has been Authorized by the Managing Partner of M/S Reliance Developers Mr. S. Purnachandar Rao to execute the Agreements of Sale in connection with the sale of flats and receive the amounts and issue the receipts to that effect and this Document No. 1 is filed herewith and also this Document No.1 filed

with the RERA in Hyderabad and obtained Registration No. P02500000185. It is further submitted that, the Respondent No.2 has admitted and filed a Letter/Document before the RERA Hyderabad to withdraw the Authorization given to Respondent No. 4 conveniently in the year 2020 which is very detrimental to the interest of the Home Buyer/Complainant.

XIX. It is submitted that, the Respondent No. 4 & 6 has submitted the amendment deed Dt. 18.09.2014 to partnership deed Dt. 27.10.2011 before the RERA authority Hyderabad. It is further submitted that, the respondent No.2 has stated and admitted that while he was considering moving to vijayawada and exploring various opportunities available to the firm for taking of projects at vijayawada the Respondent No. 4 has approached the Respondent No.2 and represented that for the purpose of Income tax compliances and for availing tax benefits, the partners of the said firm should enter into amendment deed amending the share holding pattern in the said firm where by the shareholding of the Respondent No.2, 3, 5 was sought to be reduced considerably and the same was sought to be transferred to the Respondent No.6, and also Respondent No.2 believing the representation made by the Respondent No.4 signed an amendment partnership deed however, he states that Respondents No.3 & 5 have not signed the said amendment deed and were not even aware of the same. It is aptly clear that the Respondent No.2 is stating false as both Respondent No. 2 & 3 are residing under the same Roof and he signing the document and Respondent No. 3 & 5 not signing the document is preposterous, concocted, false, fabricated and enactment of farce colluded, conspired together creating litigations depriving the legitimate entitle rights of the Home Buyer/Complainant. (Page No. 11 & 23) (Para No. 21 & 42)

XX. It is submitted that, the Mr. Purnachandar Rao Respondent No.2 admits that he gained experience from various projects that were executed for the M/S Reliance Builders and M/S Srinivasa Developers (Page No.3). It is further submitted that, the Respondent No.2 is a prudent business man signing on the amendment deeds and giving

permission for opening up of new Bank Accounts by the Respondent No. 4 & 6 is intentional, pre planned, conspiracy to cheat defraud and siphon off the amounts paid by the Home Buyers/Complainant.

- XXI. It is submitted that, the Respondent No. 2 has even alleged and stated that much of the amounts have been transferred to Respondent No. 6 Mother's Account amounting to 8.5cr Approximately. It is further submitted that, the as per the tabulation of amounts transferred to Respondent No. 6 Mother's Account is nothing but the amounts paid by the various home buyers from different projects in Hyderabad managed by Respondent No. 4 & 6. It is Aptly clear that the Respondent No. 4 is Authorized Signatory in RERA for the Projects in Hyderabad and Respondent No. 6 as stated by Respondent No. 2 designated as working Partner Managing the day to day business affairs of the firm and also Respondent No.6 permitted as per the Partnership deed Dt. 27.10.2011 and DGPA as Developer are jointly and severely liable to the complainant for the registration of the flat No. 102, Reliance Eternis, Prakash Nagar, Begumpet, Hyderabad. It is further submitted that, the Respondent No. 4 who has acknowledged the receipt of payments of Rs.1.05 Cr by the complainant in the Agreement of Sale Dt. 29.01.2019 for the Flat No. 102 1st floor Reliance Eternis, Prakash nagar, Bequmpet, Hyderabad and Rs.10 Lakhs & 5 Lakhs Through RTGS on 11.03.2019 and 10.10.2019 Totally amounting to Rs. 1.20Cr (Rs. 45 Lakhs through Bank and Rs. 75 Lakhs By Cash). It is further submitted that, the Respondent No. 4 who is the Authorized Signatory for the project Reliance Eternis Situated at Prakash Nagar, Begumpet, Hyderabad and Respondent No. 2 is not entitled nor empowered to enter into Agreements of Sale and receive payments for the sale of flats in the project Reliance Eternis even as per the clause 5 of the partnership deed Dt. 27.10.2011 of the firm M/S Reliance Developers. It is further submitted that, R-4 has admitted the execution of the Agreement of sale dt. 29.01.2019 execute under the instructions of R-2. It is further submitted that the R-2, 3, 5 & 6 as partners has the responsibility and obligation towards the Agreement for sale holder i.e,

complainant "as the principal is liable for the acts and deeds of his agent and also as per Sec 11 RERA Act". It is further submitted that, as per the order given by the Hon'ble Justice A. Rajashekar Reddy in AS. No. 46 of 2020 it is very clear that the both the parties contesting the case has admitted and agreed that about the dissolution of the firm. It is further submitted that, as per para No. 15 in AS No. 46 of 2020 there is no dispute as to the understanding of the parties, that the partnership firm could be dissolved at will of any of the partners by following Sec 43 of partnership Act clause 10 of the Partnership deed Dt. 27.10.2011. It is further Submitted that, as per para No. 33 & 34 of AS No. 46 of 2020 there is nothing in term of the partnership deed to indicate either expressly or impliedly any innovation or substitution of the original Partnership deed Dt. 27.10.2011 expect change of allocation of share of the partners and amended dt. 18.09.2014" whether it is compulsorily registrable document need not be examined as the original partnership deed Dt. 27.10.2011 under the partnership deed, the subsequent amended deed being consequential document its registration under registration act is not compulsory so the document is treated as valid document as Para No. 39, 42, 43 in AS, No. 46 of 2020.

XXII. It is further submitted that, R-2 admitted in his counter and in his documents filed before the authority that has signed on the amendment deed sent by R-4 reposing trust and faith only for the compliance before the IT authorities and R-3 & 5 has not signed is nothing but enactment of Farce created for the purpose of prolonged litigations denying and depriving the home buyers of their advances paid towards sale consideration (Para No. 52 Page No. 30 Documents filed by R-2).

XXIII. It is submitted that, the Reliance Eternis Project has been advertised on Housing.com as the project has been launched on August-2018 for the sale of flats before the registration of the Project Reliance Eternis Situated at Prakash Nagar, Begumpet, Hyderabad for Rs. 1.24 Cr for 1900 Sq.ft 3BHK at Rs. 6,500/- per Sq.ft. It is submitted that, the application for Registration in RERA Hyderabad is Dt. 28.11.2018 for Reliance Eternis Project and Registration has been awarded on Dt.

21.01.2019 (Document No. 2). It is further submitted that, the Managing Partner Respondent No. 2 executing into Agreement of Sale Dt. 05.05.2018 without sale consideration and receiving RS, 60 Lakhs from Mr. Kiran Kabalvai on 07.05.2018 as per the recitals in the Agreement of Sale and in the sale deed is false and fabricated and also violation of Sec 3 of RERA ACT i.e, "No promoter shall advertise, market, book, sell or offer for sale or invite to persons to purchase in any manner any apartment or building without Registering the RERA Establish under this ACT". It is further submitted that, the Respondent No. 2 has given the contradictory averment before the sole Arbitrator in (Page No. 46 Para No. 80) that the flat No. 102, Reliance Eternis has been executed a sale deed dt. 05.05.2018. it is further submitted that, the Respondent No. 2 has submitted before sole Arbitrator in AS No. 46 of 2020 that Mr. Kiran Kabalvai has filed OS No. 43 of 2021 before 1 ACJ Secunderabad City Civil Courts for specific performance of Agreement of Sale Dt. 05.05.2018 but on verification of the above said fact that the OS No. 43 of 2021 has been withdrawn unilaterally by the Respondent No. 7 (Page No. 46 Para No. 79). It is further submitted that, R-6 has admitted as the working partner of the firm and R-3 & 5 are partners of the firm and also admitted in Para No. 19 in her counter that R-2 has completely violated the Provisions of the RERA Act and showing the each and every transaction in the bank accounts and has not even submitted the periodical reports to TS RERA. It is further submitted that, R-6 has admitted the execution of sale deeds in Para No. 24 in the name of the benami persons By the R-2 on behalf of the firm vehemently acting with vengeance against R-6 and her husband R-4 and in Para No. 26 about the dissolution of the firm by the way of legal notice and by the way of paper publication and also disputes that she has got no right to question of the actions R-2 in executing the sale deeds as R-2 was committed to execute the same as he cannot act as the Managing partner of the dissolved Firm M/S Reliance Developers and that he cannot execute or register any documents on behalf of the firm as on 09.06.2020, and his statements to execute the documents in

favour of the 3rd parties cannot be appreciated under law as arbitration is pending before the Hon'ble Justice Mr. Ghoda Raghuram. It is further submitted that, R-6 has admitted the irregularities committed by R-2 is completely in contravention of the Sec 11 of the RERA Act though R-2 was supposed to act and implement to the true letter and spirit of the said provision (Para No. 31 of R-6 counter). It is further submitted that, R-6 admitted and stated in Para No. 32 as per claim in AS No. 46 of 2020 which has been submitted before the authority has prayed the Hon'ble sole Arbitration Application No. 46 Of 2020 annexed hereto has prayed the Hon'ble sole Arbitrator to declare the Agreements of sale and sale deeds executed by the R-2 in favour of the alleged purchasers null and void in the eye of law and the provisions of RERA Act. It is further submitted that, R-6 admitted and stated in Para No. 33 that she came to know about the registration of the sale deed bearing No. 269 of 2023 dt. 08.02.2023 pertaining to the Flat No. 102 in Reliance Eternis at Begumpet, HYD through the 1st undated letter of the Secretary, TS RERA, which was registered subsequently to the Dissolution of the firm and passing of the sale consideration mentioned in the said documents were not rooted through the RERA accounts and the above said sale deed registered subsequent to the Dissolution of the firm and that too after the Judgement given by the Hon'ble High Court Arb.Appl No. 46 of 2020 on 08.06.2021, which shows the audacity on the part of the R-2 in disregarding the Judgement of the Hon'ble High Court which amounts to disobedience and contempt. It is further submitted that, R-6 stated in Para No. 37 that R-2 has filed Income Tax returns for the year 2021 dt. 15.02.2021 came across Rs. 60 Lakhs paid by Mr. Kiran Kabalvai under the head unsecured loans at page No's. 001713, 001723 and more specifically at page no. 001855 of Volume -8 annexed herewith same as Volume -8 as list Document No.22, but not under the head of Advances from the customers/Purchasers. It is aptly clear that R-7 is a financier/Benami of R-2 to the projects envisaged by M/S. Reliance Developers and not a home buyer and his Agreement of sale dt.05.05.2018 is forged, fabricated and created by R-2 and R-7 to create

a charge on the complaint Petition property violating the provisions of Sec 11 (4)(h) and maliciously with malafide intentions to create further litigations to harass the complainant. It is further submitted and admitted by R-6 that TS RERA has issued Form- C the registration certificate of project Reliance Eternis under Sec 5 to this Project bearing registration No. P02500000185 dt. 21.01.2019 (Para No. 44), R-6 admitted that, any transactions/registered documents made by the R-2 as discussed above cannot be treated as lawful transactions and as per sec 11 of the RERA Act it is the duty of the promoter to do each and every monetary transaction in the name of the project through RERA Bank account only. But in the present case, the R-2 completely violated the same (Para No. 46 & 47). It is further submitted that, R-6 admitted that as per Sec 17 of the RERA Act the transfer of title shall be made by the promoter in the name of the allottee within 03 months from the date of occupancy certificate. But no such occupancy certificate was issued by the respective authorities over this project Reliance Eternis at Begumpet, HYD and therefore the sale deed said to have made by the R-2 in favour of the so called R-7 is nothing but voidable transaction, since the R-6 is not admitting or giving her consent for above said transaction, since any transaction done after dissolution of the firm, cannot be said to be a genuine or lawful transaction (Para No. 48) 25. It is submitted that, the Respondent No. 2 claims to be an experienced person and well with in the knowledge as the Managing Partner that who averred in the Page No. 28, "Respondent No. 4 & 6 in active connivance with each other have also entered into Agreement of Sale Dt. 28.03.2019 with Mr. Siddam Setty Sunil for sale of Residential Flat on the 3rd floor of the New projcet site at Ashwini Layout near ABN andhra Jyothi Journlits, jublee hills without sanction of the permit form the GHMC" and "also stated in line 12 Page No. 28" "the above said Agreement of Sale has been executed by the Respondent No. 4 even before the Project got Registered by the RERA" and also has received amount of Rs. 70 Lakhs by cash which has not been accounted for in the firm and Rs. 38 Lakhs By way of RTGS under the said Document.

XXIV. It is submitted that, the Respondent No. 2 as per the averments made in the Page No. 28 admits getting into prior Agreement of Sale for the sale of Flats without registering the project in the RERA is a violation but stating very conveniently that Respondent No. 4 has maliciously executed an Agreement of Sale Dt. 29.01.2019 with respect to the same subject property for which a sale deed Dt. 05.05.2018 was already in favor of Mr. Kiran Kabalvai by signing as the Authorized Signatory of the firm M/S Reliance Developers is a fraudulent sale and Respondent No. 2 stating that the subject property has been executed as a sale deed Dt. 05.05.2018 is itself false and fabricated. It is further submitted and Aptly clear that Respondent No. 2 has created Fabricated a Document Dt. 05.05.2018 in connivance with Mr. Kiran Kabalvai Respondent No. 7 to spite, deny, and deprive the Legitimate entitle Rights and claims of Complainant. It is further submitted that, the Rs. 60 Lakhs part sale consideration paid by Respondent No. 7 to the developers Account on Dt. 07.05.2018 through RTGS for which Flat and for which project has to be ascertained as Reliance Eternis has not been Launched at that time (i.e, on 05.05.2018) and also has not been Registered with RERA. It is further submitted and Aptly clear by the recital of the clause 5 of Partnership deed Dt. 27.10.2011 Respondent No. 2 is not empowered to enter into Agreement of Sale "Respondent No.2 shall be the Managing partner of the firm who shall have the power to apply for tenders and negotiate the terms thereof, to enter into agreement and to receive payments". It is Aptly clear by the above recital that Respondent No. 2 has been empowered to apply for tenders and negotiate the terms thereof, to enter into Agreement and to receive payments but not specifically mentioned and empowered to get into Agreement of Sale of Flats as per the partnership deed Dt. 27.10.2011. it is also very clear that the person appointed by the Respondent No. 2 to do all acts and thinks necessary to carry on the business of the firm M/S. Reliance Developers that is Authorzied by Respondent No. 2 in Registering the Project Reliance Eternis with the Authorization letter and other relevant documents submitted before the RERA for obtaining the registration

number. P02500000185 and in that Authorization letter Dt. 28.11.2018 by the Respondent No. 2 to Respondent No. 4 clearly mentioned that the CEO also authorized to execute the Agreements of Sale in connection with the sale of flats and receive the amounts and issue the receipts to that effect

- XXV. It is submitted that, the Respondent No. 2 has filed a document No. 8 stating Mr. Kiran Kabalvai has obtained an Ex-parte Ad-interim injunction restraining the Respondent No. 2 Represented by its partners from alienating the petition schedule property i.e, Flat No. 102 in Reliance Eternis in COS No. 17 of 2021 in I.A No. 57 of 2021 It is further submitted that, the Ex-parte Ad-interim injunction restraining the Respondent No Represented by its partners from alienating the petition schedule property i.e, Flat No. 102 in Reliance Eternis is not to alienate the suit schedule property but it is very clear Respondent No. 2 has alienated the property to Mr. Kiran Kabalvai flouting and subverting the orders of Hon'ble Court.
- XXVI. It is submitted that, the Respondent No.2 in connivance with the Respondent No. 7 colluded together obtained Ex-parte Ad-interim Injunction to spite, deny, deprive the rightful legitimate entitled right of the complainant.
- XXVII. It is submitted that, the Respondent No.2 by his averment made in the Page No. 46 to the counter filed before the Arbitrator in AS. No. 46 of 2020. knowing well the agreement of sale Dt.29.01.2019 Was made by the Authorized signatory to the Reliance Eternis Project i.e, Respondent No. 4 instead created, fabricated Agreement of Sale Dt. 05.05.2018 in favor of Mr. Kiran Kabalvai Respondent No. 7 to further complicate legal proceedings, litigations before the legal forums.
- XXVIII. It is submitted that, the Respondent No. 2 has stated before the sole arbitrator in Page No. 26 & 27 that the Respondent No. 4 & 6 have entered into agreements of sale Dt. 05.11.2019 forging the signatures of the Respondent No. 2 and subsequently created dubious partnership firm in the name of M/S Reliance Developers and Infra on Dt. 02.11.2019 with Mr. Arvind Baid and Mr. Dinesh Baid for sale of

residential Flat Bearing No. 201 Admeasuring 3000sq.ft pertaining to the project Reliance Kameshwari Heights and received Rs. 1.50 Cr by way of cash.

XXIX. It is submitted that, the Respondent No. 2 very conveniently has executed a sale deed Document Bearing No. 746 of 2021 Dt. 15.03.2021 in favor of Mr. Arvind Baid, Neeraj Baid for flat No. 502 in Reliance Eternis Situated at Prakash Nagar, Begumpet, Hyderabad is itself void, illegal as Mr. Arvind Baid has booked the flat No. 201 in Reliance Kameshwari Heights and instead of executing sale deed for the flat no. 201 in Reliance Kameshwari Heights accommodated/alloting him in Reliance Eternis by the Respondent No. 2 is itself a violation by the promoter/developer under Sec 17 of the RERA ACT.

XXX. It is submitted that, with respect to Para No. 9 the Legal notice dt. 29.08.2021 has been sent to the correct addresses as Respondent No. 2 mentioned in his registered partnership deed Bearing No. 3248 of 2011 as the principal place of business shall be at H.No:- 8-2-293/82/A/239/A/1 Road No. 18 Jubilee hills Hyderabad-500033 and also to administrative office in Flat No. 401, Lovely Mansion, Somajiguda, Hyderabad-500082 and also residential address mentioned in the counter for Respondent No. 5 even to Reliance Avans Court Apartments, Banjara Hills, Near GVK Mall, Hyderabad, T.S-500034 and also to Respondent No. 2 & 3 as mentioned in their partnership deed residing at Villa No. 15, Mokilla Village, R.R Dist, T.S-501203. It is further submitted that, the Respondent No. 2, 3, 5 chose not to receive and returned the Legal Notices (Document No. 15 set of Legal Notices sent to above addresses).

XXXI. It is submitted that, with respect to Para No. 14, 15 that Respondent No. 2 has admitted that Respondent No. 4 & 6 are handling the affairs of the firm from its office in the jubilee hills hyderabad and later shifted to somajiguda Hyderabad and Respondent No. 2 was looking after the projects taken up by the firm in Vijayawada.

XXXII. It is submitted that, with respect to Para No. 16, 17 after enquiry and investigation by the investigating officer by the jubilee hills p.s and

punjagutta p.s after going through the complaint filed by the complainant Respondent No. 2 has created a false, fabricated version to be presented in his submissions before the sole arbitrator and conspired with Respondent No. 7 subverting the Hon'ble courts orders in COS No. 17 of 2021 in I.A No. 57 of 2021 executed the fraudulent transfer of sale deed bearing No. 269 of 2023.

XXXIII. It is submitted that, with respect to Para No. 18, 19 that the Respondent. No. 2 has admitted with respect to W.P No. 7516 of 2021 before the High court of A.P and CP No. 24 of 2021, there are conflicts among the Respondent No. 2 to 6 and the Hon'ble AP RERA at Vijayawada has given the order keeping in the paramount interests of Home buyers and Land owners for the construction of Projects in its Jurisdiction. It is further submitted that, U/Sec 31 of RERA ACT "Any aggrieved person may file a complaint with authority or with adjudicating officer as the case may be for any violation or the contravention of the provisions of this Act or the rules and regulations made thereunder against any promoter allottee or real estate agent, as the case may be" and the petition made by the complainant is maintainable.

XXXIV. It is submitted that, with respect to Para No. 18, 19 with respect to conflict of opening of accounts and praying for freezing of accounts before the A.P RERA authority and submission of book of accounts and the prayer before the Hon'ble High court of A.P with respect to dissolution of the firm the "Hon'ble authority is of the opinion that the partnership between the partners ceases to exists but the firm cease to exists until the entire liabilities are clear and the necessary obligations are performed and hence the promoter firm is entitled and also duty bounded to continue the project in the capacity of promoter in order to avoid any further and further complaints and litigations" it is Aptly clear that the Respondent No. 2, 4, 5 & 6 has conspired, colluded, together created further litigations by alienating the flat No. 102 Reliance Eternis Situated at Prakash Nagar, Begumpet, Hyderabad to and along with Mr. Kiran Kabalvai Respondent No. 7 by creating false

and fabricated Agreement of Sale Dt. 05.05.2018. It is Aptly clear by the averment made by Respondent No. 2 before the sole Arbitrator Page No. 46 & 47 Para No. 80 that a sale deed Dt. 05.05.2018 was already in favor of Mr. Kiran Kabalvai.

XXXV. It is submitted that, the Respondent No. 2 to 6 have wrongfully cheated the public at large by siphoning the deposits of Home Buyers and it is Aptly clear that the Respondent No. 2 admitted in Page No. 30 & 40 Para No. 52 & 69 has signed on the papers sent by Respondent No. 4 & 6 for the purpose of opening of Bank Accounts and also has suppressed information with respect to amendment deed of Regd. partnership deed Bearing No. 3248 of 2011 Dt. 27.10.2011 obtained Bank Loans and now conveniently blaming each other and stating that the amendment deed has not been submitted before the Bank authorities by Respondent No. 4 & 6 alleging that the Loan Agreements/Documents were prepared by Respondent No. 4 duly attested by Respondent No. 6 and also Respondent No. 6 has participated in the said Loan Transactions and willfully come down to the Registration office for executing required documents for the grant of the loan and registration of the mortgage as such the amendment deed did not come into existence is preposterous as when the Respondent No.2 as signatory to the amendment deed should have brought to the notice of Bank authorities in fairness.

XXXVI. It is submitted that, the RERA ACT 2016 has to be read with Sec 88 Says i.e," the Act shall be in addition and not in derogation to the law for the time being in force". Sec 89 Says i.e, provides for a non-obstante clause in Sec 89 as a result of the same RERA becomes applicable over Registration ACT 1908 and also it is very clear that the RERA ACT should prevail over Registration ACT 1908, It is further submitted as per the Sec 7 of the RERA Act "the Authority may receive a complaint or suo motu in this behalf or on the recommendation of the competent authority, revoke the registration granted under Sec 5 for Unfair Trade Practice". It is further submitted that, the Sec 89 RERA ACT states that this Act have overriding effect "The provisions of this Act shall have

effect, notwithstanding anything inconsistent contained in any other law for the time being in force." Therewith

XXXVII. It is submitted that, with respect to para No. 29 the Respondent No. 4 in OS No. 3008 of 2020 in I.A No. 245 of 2021 Document No. 7 Page No. 71A as stated by the Respondent No. 2 that Respondent No. 4 had time and time again pleaded before numerous courts that he is not the partner of the firm and that he is a mere employee of the firm, When Respondent No.4 is specifically admitting before the court of law that his role at best is that of an employee and that he is not authorized to enter into any Agreement much less receive amounts on behalf of the firm, is itself false and fabricated misleading the Hon'ble authority as Respondent No. 4 has filed the affidavit before the Vth JR. CIVIL JUDGE at CCC Hyd "stating that he is an employee of the partnership firm and the Respondent No. 2 is the Managing partner who has been looking the day to day affairs of the firm and acted as per the instructions and directions of the Respondent No. 2", it is Aptly clear Respondent No. 2 & 4 are in connivance and conspired to cheat and siphon off the deposits of home buyers. PRAYER: There fore, it is prayed that the Honourable Authority may give order to the builder, profester, developer M/S. Reliance Developers Rep. By S. Pumardar dra 20 and Mr. Rajesh Kiran Authorized Signatory to register Flat No. 102 M.H.Nodro 38/2, Flat No.102 Reliance Eternis, Begumpet, Hyderabad, T.S in Favour of Complainant and in view of the facts mentioned above, the complainant prays for cancellation and declaration of Dt. 08.02.2023 sale deed No. 269/2023 as void egal and Revoke, Blacklist Developer, Builder, promoter M/S. Reliance Developers on ongoing projects of the M/s. Reliance Developers Rep. by its Managing Partner Purnachandra Rao and Mr. Rajesh Kiran Authorized signatory and other Respondents and also award compensation with interest or direct the M/S Reliance Developers to Register the Flat No. 202 or 301 in Reliance Eternis which is still vacant and unsold for the fair resolving of the complaint in good faith, in the interest of Justice.

27. Written Arguments on behalf of Respondent 1, 2, 3, & 5

- i. The Respondent Nos. 1, 2, 3 and 5, in addition to the pleadings and documents filed before this Hon'ble Authority and -the oral arguments advanced on behalf of the Respondents, crave the leave to submit the following the Written Arguments for the kind consideration of this Hon'ble Authority.
- ii. The Complaint is not an allottee as defined under RERA Act for the purpose of invoking the jurisdiction of this Hon'ble Authority. The Complainant is making a claim on the basis of a false, fabricated and created Agreement of Sale dated 29.01.2019. The said Agreement of Sale is seriously disputed by the majority of the partners as the same was purportedly executed by the Respondent No. 4 claiming to be an authorized signatory of the Firm. It is pertinent to note that the Respondent No. 4 is neither a partner of the Firm nor was he ever authorized to represent the Firm for the purpose of execution of Agreements of Sale or any documents on behalf of the Firm. As such the Agreement of Sale purportedly executed by Respondent No. 4 is non-est in law and is not valid for any purposes. 2. Even assuming the purported Agreement of Sale dated 29.01.2019 to be validly executed by Mr. Rajesh Kiran i.e., Respondent No. 4, it is pertinent to note that the existence of the said document can be seriously doubted for the fact that there are no witnesses to the said document and that the document records receipt of monies of INR 75,00,000/- in cash which were in fact paid by the Complainant only in the months of February and March 2019 as per the documents filed by them. As such the said documents cannot be looked into any manner unless the authenticity and validity of the same is proven in a Civil Court. Further, it is pertinent to note that the said cash component of Rs. 75 lakhs is an invalid and illegal transfer which is specifically prohibited by the Reserve Bank of India. However, the Complainant seeks to rely on such alleged cash which she claims to have handed over to Respondent No. 4 who is not authorised to receive any cash much less the cash of Rs. 75 lakhs on behalf of the Firm for the purpose of claiming valid payment of sale consideration. The same is required to be established in an

- appropriate civil court and the Complainant is also called upon to furnish her income tax returns to establish the source of such huge cash for the purpose of allegedly paying the Respondent No. 4. The Respondent Nos. 1, 2, 3 and 5 specifically deny receipt of such cash component from the complainant in any manner.
- iii. As such the Complainant cannot identify herself as an allottee for the purpose of maintaining the present complaint. The authenticity and validity of the purported Agreement of Sale dated 29.01.2019 will have to be adjudicated and determined in appropriate Civil Court by considering material evidence which will have to be proved by the parties before such Civil Court. Unless such purported Agreement of Sale dated 29.01.2019 is established in an appropriate Civil Court and the chains and rights of the Complainant are determined under the Specific Relief Act, the Complainant cannot be permitted to identify herself as an allottee of the Respondent No. 1 in Reliance Eternis.
- iv. It is submitted the serious disputed questions of title are involved including the valid and substantive rights of Respondent No. 7 herein which cannot be adjudicated by this Hon'ble Authority under the provisions of RERA Act or the Rules framed thereunder. The provisions of RERA Act and the Rules framed thereunder only contemplate actions that can be taken as against the promoter with regards to the delay in handing over possession or completion of the project. However, there is no such whisper about the alleged delay in handing over possession or completion of the project and instead the Complainant is seeking reliefs of cancellation of a registered document validly executed in favour of Respondent No. 7 which is not permissible.
- v. The Complainant has also completely mis-construed and misrepresented the provisions of RERA Act more specifically the provisions under Sections 5 and 7 of the Act with regards to registration of project and cancellation of project registration to be that this Hon'ble Authority is entitled to cancel the registration of sale deed validly executed by the Promoter in favour of a person.

- vi. It is submitted that the Complainant has filed the present Complaint seeking cancellation of the registered Sale Deed bearing Doc. No. 269/2023 dated 08.02.2023 executed in favour of Respondent No. 7 and consequent execution of registered Sale Deed in her favour. Without prejudice to the argument that such reliefs cannot be granted, the Complainant is now wrongfully seeking an additional alternate prayer of allotment of an alternate flat in the said project without any basis. Such alternate prayer sought for in the Rejoinder cannot be granted and the same is liable to be dismissed.
- vii. In any event, the Respondent No. I had already executed a Mortgage Deed in favour of GHMC and thereafter, executed Agreement of Sale dated 27.02.2019 for Flat No. 202 in favor of M/s. K.L. Technical Services, represented by its Managing Partner Sridhar Babu subject to the existing mortgage. It is submitted that on 15.05.2023, the Agreement of Sale dated 27.02.2019 in favour of M/s. K.L. Technical Services was cancelled and the sale consideration of INR 25 Lakhs was returned to M/s. K.L. Technical Services and subsequently, on the same date ie, 15.05.2023 another Agreement of Sale for Flat No. 202 in favor of Mr. Jayesh Appabhai Patel and Mrs. Sangitha Jayesh Patel. A copy of the Agreement of Sale dated 27.02.2019 for Flat No. 202 in favor of M/s. K.L. Technical Services is herewith being attached as Document No. 1. A copy of the Agreement of Sale dated 15.05.2023 for Flat No. 202 in favor of Mr. Jayesh Appabhai Patel and Mrs. Sangitha Jayesh Patel is herewith being attached as Document No. 2.
- viii. Such execution of sale documents is not per se illegal and the same are subject to the mortgage being released. As such the said Flat No. 202 cannot be allotted to or registered in favour of the Complainant.
- ix. It is submitted that pursuant to the receipt of an amount of INR 50 Lakhs towards advance sale consideration for Flat No. 202, the Respondent No. I had paid the GST towards the amount of INR 50 Lakhs received towards sale consideration. A copy of the GST Tax Payment receipts is herewith being attached as Document No. 3. 8. Further, the Agreement of Sale Holders i.e., the Vendees of Flat No. 202

of the project have engaged third party engineers/architects for the purposes of preparation of the interiors of the said flat and also commenced preparation of interiors in the said flat and is now at the fag end of the project. The photographs showing the completion of interiors in Flat No. 202 is herewith being filed as Document No. 4.

- x. In any event, when the Complainant has only paid Rs. 45 lakhs which is received by the Respondent No. 1 Firm for a flat which is worth INR 1,32,50,000/- even according to the Complainant, the Complainant cannot be permitted to seek for specific performance for registration of the said flat in her favour.
- xi. In furtherance to the above, it is pertinent to note that the Respondent No. 1 Firm has been dissolved and arbitration proceedings are being adjudicated by the Hon'ble Sole Arbitrator. It is submitted that Hon'ble Arbitral Tribunal had deemed fit that a forensic audit be conducted and accordingly ordered for Forensic Audit. It is submitted that the Forensic Audit has concluded and the auditors are in the process of finalizing the report. As such, unless and until an Award is passed by the Hon'ble Arbitral Tribunal, no relief can be granted by this Hon'ble Authority for payment of any monies and affixing any liability on the Respondent Nos. 2, 3 and 5 herein.
- xii. It is submitted that the Respondent No. 2 representing the Respondent No. 1 Firm has executed a valid Agreement of Sale dated 05.05.2018 in favour of Respondent No. 7 herein and has also received major part of sale consideration. 14. However, after coming to know about the illegal dissolution of the Respondent No. 1 Firm by the Respondent No. 6 herein, the Respondent No. 7 here addressed Legal Notices and filed a Civil Suit vide OS No. 43 of 2021 before the Hon'ble 1 Additional Chief Judge, City Civil Courts at Secunderabad and the Hon'ble Court vide its Orders dated 19.05.2021 in L.A. No. 57 of 2021 was pleased to direct the parties to maintain Status - Quo and the said Interim Order was extended from time to time.
- xiii. While so, at the advent of elders and well-wishers, the Respondent No. 7 had settled the disputes with Respondent No. 1 and accordingly by

transferring balance sale consideration got a registered Sale Deed bearing document No. 269/2023 dated 08.02.2023 executed in his favour. However, such execution of a registered Sale Deed in favour of Respondent No. 7 is not in violation of any interim orders of the Hon'ble Court as the subject matter of dispute in the said suit stood settled pursuant to such execution of valid registered Sale Deed.

- xiv. It is pertinent to note that the Respondent No. 7 has in fact claimed rights over the subject property much prior to any action being taken by the Complainant including by filing of a Police Complaint vide FIR No. 190/2022 dated 30.09.2022 before the Jubilee Hills Police Station and the same got transferred to Punjagutta Police Station for want of jurisdiction and got renumbered as FIR No. 550/2022 dated 18.10.2022. As such it cannot be said that the Respondent No. 7 is acting in connivance with other Respondents in any manner.
- xv. It is submitted that neither the Respondent No. 2 nor the Respondent No. 3 and herein have ever authorized the Respondent No. 4 to execute Agreements of Sale or accept monies on behalf of the Firm. It is submitted that the Respondent No. 4 was never appointed as CEO of Respondent No. 1 either by the Respondent No. 2 who is the Managing Partner of the Respondent No. 1 nor by the Respondents 3 and 5. The Complainant has failed to provide any evidence apart from the fabricated authorization dated 28.11.2018 to evince that the Respondent No. 4 was at any point in time authorized by any of the Partners to be the CEO of the Respondent No. I Firm.
- xvi. It is submitted that as the Respondent No. 2 who is Managing Partner of the Respondent No. I was actively involved in project at Vijayawada, the Respondent No. 6 herein was entrusted with works for Hyderabad projects. However, the Respondent No. 4 and 6 in connivance with each other appear to have inserted the name of the Respondent No. 4 as the authorised signatory of the Firm before this Hon'ble Authority.
- xvii. While so, upon coming to know about the alleged illegal entry of the name of Respondent No. 4 as the authorized signatory of Respondent No. 1, the Respondent No. 2 has addressed letters dated 04.09.2020

and 21.09.2020 to this Hon'ble Authority informing about the fraud being played by the Respondents 4 and 6 herein, and requested this Hon'ble Authority to delete the name of Respondent No. 4 as the authorized signatory and insert the name of Respondent No. 2 who is Managing Partner of the Firm. A copy of the letters addressed to TSRERA dated 04.09.2020 and 21.09.2020 are herewith collectively being attached as Document No. 5 (Colly).

- xviii. It is pertinent to note that all of such action were taken by the Respondent No. 2 and other partners as against the Respondent No. 4 and 6 much prior to them even coming to know about the alleged fraudulent Agreement of Sale in favour of the Complainant herein.
- xix. The alleged authorization letter dated 28.11.2018 filed by the Complainant along with the Rejoinder before this Hon'ble Authority is a fraudulent document which was created by forging the signature of the Respondent No. 2 and the Respondent No. 2 reserves his right to initiate appropriate criminal action as against the Respondent No. 4. However, it is pertinent to note that the Complainant has also failed to establish the chain of custody of such document to the Complainant and is called upon to establish the validity of the same.
- xx. Admittedly, the Respondent No. 2 is the Managing Partner of the Respondent No. 1 Firm and as per clause 5 he is entitled to enter into all Agreements for the sale of flats. The Respondent No. 2 is only entitled to appoint persons for the purpose of maintaining accounts and doing all acts which are incidental for carrying on the business of the Firm. However, such sub-delegation of the powers to alienate the properties of the Firm are contemplated under such Clause 5. It is submitted that unless and until the Partnership Deed provides for it or by agreement of all partners. such delegation of powers to alienate or creating interests over the properties belonging to the Firm cannot be exercised by any person other than the Managing Partner of the Firm.
- xxi. Further, the argument that the Respondent No. 2 who is the managing partner of the Firm is not entitled to enter into any Agreement of Sale is

preposterous and incorrect interpretation of the partnership deed of Respondent No.1.

- xxii. The reference made to the alleged Amendment Deed which is being vehemently opposed and contested by the Respondent No. 2, 3 and 5 herein before the Hon'ble Arbitral Tribunal is not tenable and valid. The Complainant has no basis for the purpose of relying on the said document which only contemplates alleged transfer of shares inter-se between the parties and the reference being made by the Complainant to such illegal and forged document would only establish the connivance of the Complainant and the Respondent No. 4 and 6 herein who have got this Complaint filed as against the other Respondents for the purpose of gaining unlawfully.
- xxiii. In reference to the Agreement of Sale executed in favor of Mr. Siddamshetty Sunil it is submitted that the purported Agreement of Sale was not executed by the Managing Partner i.e., Respondent No. 2 herein and was executed by the Respondent No. 4 in active connivance with Respondent No. 6. It is submitted that Rajesh Kiran i.e., Respondent No. 4 herein entered into an agreement of sale with Siddamshetty Sunil and wrongfully collected INR 90 Lakhs out of which INR 70 Lakhs by way of cash and remaining amount of INR 20 Lakhs by way of RTGS out of a total sale consideration of INR 3 Crore 80 Lakhs. It is submitted that the Respondent No. 6 to gain unlawfully and illegally did not cooperate to open RERA Account for the said project and as such the said project could not be commenced. However, the Respondent No. 4 despite being aware of the same in active connivance with Respondent No. 6 had entered into the purported Agreement of Sale dated 28.03.2019 in order to unlawfully and illegally enrich himself at the cost of the Firm and Respondents 2, 3 and 5 herein.
- xxiv. It is pertinent to note that for the illegal actions of the Respondent No. 4 in executing the purported Agreement of Sale when he is neither the Partner nor authorized to execute any document much less receive amounts towards sale of properties, Respondent No. 4 knowingly and deliberately cheated the Firm and the third parties by executing the

purported Agreement of Sale dated 28.03.2019 as the authorized signatory of the Respondent No. 1, wherein he was never authorized by any of the Partners of the Respondent No. 1 Firm and wrongfully collected huge amounts from them and accordingly, the Respondent No. 2 has lodged complaint against the Respondent No. 4 vide FIR No. 349/2020 dated 28.06.2020.

- xxv. In reference to the averments made in respect of Sale Deed bearing Doc. No 746/2021 dated 15.03.2021 in favor of Mr. Arvind Baid and Mr. Neeraj Baid towards Flat No. 502 in the said Project and purported Agreement of Sale dated 05.11.2019 towards Reliance Kameshwari Heights are completely misconceived and false. It is submitted that both the documents i.e., Sale Deed bearing Doc. No. 746 of 2021 dated 15.03.2021 and purported Agreement of Sale dated 05.11.2019 are independent of each other and have no bearing on each other.
- xxvi. It is submitted that the Respondent No. 2 had entered into an Agreement of Sale with Mr. Arvind Baid and Mr. Neeraj Baid towards Flat No. 502 and the same was stolen by the Respondents 4 and 6 when the office of the Respondent No. 1 Firm was situated at the house of the parents of the Respondent No. 6. Subsequent to entering into Agreement of Sale towards Flat No. 502, the Respondent No. 2 has rightfully and lawfully executed a registered Sale Deed bearing Doc. No. 746/2021 dated 15.03.2021 in favor of Mr. Arvind Baid and Mr. Neeraj Baid by receiving valid sale consideration.
- xxvii. In reference to the purported Agreement of Sale dated 05.11.2019 towards the project by the name Reliance Kameshwari Heights, it is submitted that the purported Agreement of Sale was not executed by the Managing Partner ie.. Respondent No. 2 herein nor was it executed by any of the partners of the Respondent No. 1 Firm. The purported Agreement of Sale dated 05.11.2019 was executed by Respondent No. 4 in active connivance with Respondent No. 6 and the Respondents 4 and 6 have entered into the purported Agreement of Sale with Mr. Arvind Baid and Mr. Dinesh Surana towards sale of Flat No. 201 by forging the signature of Respondent No. 2 herein and wrongfully collected an

amount of INR 2 Crores 13 Lakhs from Aravind Baid and Dinesh Surana out of which an amount of INR 1 Crore 50 Lakhs was through cash and remaining balance amount of INR 63 Lakhs was by way of cheques. In fact, after getting to know about the execution of the purported Agreement of Sale dated 05.11.2019 in favor of Aravind Baid and Dinesh Surana by the Respondent No. 4 herein wherein the signatures of the Respondent No. 2 were forged by the Respondent No. 4, the Respondent No. 2 has sent the purported Agreement of Sale dated 05.11.2019 to Truth Labs and accordingly, Truth Labs conducted a detailed forensic analysis of the said forged signatures and the report of Truth Labs evinces that the signatures of Respondent No. 2 were forged. A copy of the Truth Labs report dated 20.02.2021 is herewith being attached as Document No. 6.

xxviii. It is pertinent to note that for the illegal actions of the Respondent No. 4 in executing the purported Agreement of Sale when he is neither the Partner nor authorized to execute any document much less receive amounts towards sale of properties, Respondent No. 4 knowingly and deliberately cheated the Firm and the third parties by forging the signatures of the Respondent No. 2 and wrongfully collected huge amounts from them and accordingly, the Respondent No. 2 has lodged complaint against the Respondent No. 4 vide FIR No. 397/2020 dated 28.06.2020. It is submitted that the said FIR No. 397/2020 was closed by the concerned PS and the Respondent No. 2 herein had preferred a Protest Petition vide CrI. M.P. No. 348 of 2021 against the said closure and the Hon'ble III Additional Chief Metropolitan Magistrate at Hyderabad vide its Order dated 28.04.2023 was pleased to allow the said Petition.

xxix. It is submitted that the Respondent No. 6 has forged the signatures of the Respondent Nos. 3 and 5 on the account opening forms of Axis Bank so as to siphon off money from the Firm's accounts. It is submitted that the Respondents 2, 3 and 5 were unaware of the bank accounts and were opened without the consent of Respondents 3 and 5. In fact, the Respondents No. 3 and 5 have sent the opening forms of the

Axis Bank where their signatures were forged to Truth Labs and accordingly, Truth Labs conducted a detailed forensic analysis of the said forged signatures and the report of Truth Labs evinces that the signatures of Respondents 3 and 5 were forged. It is submitted that all the transactions in the said account were without the knowledge of the remaining partners of the Firm and Respondent No. 6 alone had the authorization to handle the said accounts. A copy of the Truth Labs report dated 20.02.2021 is herewith being attached as Document No. 7.

- xxx. It is submitted that when the remaining partners got to know about the opening of the alleged accounts, the Respondents 3 and 5 have lodged a police complaint vide FIR No. 549 of 2021 dated 07.08.2021 before the Banjara Hills Police Station. Further, upon getting to know about the said bank accounts opened by the Respondent No. 6 herein, the Respondent No. 2 had approached the concerned bank officials and sought for statements of the said accounts and it is only then that the Respondent No. 2 got to know about the transfer of INR 45 Lakhs. However, neither the Respondent No. 2 nor the Respondents 3 and 5 were aware of any of the transactions of the said accounts and as such the Respondent No. 2 was constrained to show the amounts that were received into the said accounts as unsecured loans for the purposes of filing ITRs.
- xxxi. It is therefore prayed that this Hon'ble Authority may be pleased to dismiss the complaint as grave injustice would be caused to the Respondents 1, 2, 3 and 5 if any of the reliefs as sought for by the Complainant are granted and pass such other order or orders as this Hon'ble Authority may deem fit and proper in the facts and circumstances of the case.

28. Filed by Respondent 4

- i. The Respondent no. 2 has acknowledged the Registration Number - P02500000185 for the Project - Reliance Eternis, Begumpet, Hyderabad, issued by this Hon'ble Authority at line of para no. 1 in page no. 9 of the list document no. 1, at 9th line of para no. 1 in page no. 47 of the list document no. 2 and at 9th line of para no. 1 in page no. 81 of the list

document no. 3. The Respondent no. 2 even after openly confirming and declaring the TS RERA sanction/permit number in all the three sale deeds executed by Respondent no. 2 in the capacity of the Managing Partner of the dissolved firm M/s. Reliance Developers, but bluntly argues about the authorization given to Respondent no. 4. Though Respondent no. 2 contends about the authorization given to Respondent no. 4, the sale deeds itself confirms the authorization to Respondent no. 4 by Respondent no. 1 dissolved firm by acknowledging the TS RERA sanction/permit numbers in the respective sale deeds. The above actions of Respondent no. 2 itself proves that Respondent no. 4 acted as an Agent of the Principal M/s. Reliance Developers (Dissolved Firm) as per the Section 182 of The Indian Contract Act, 1872.

- ii. For ready reference the Section 182 of The Indian Contract Act, 1872 is extracted below:

"182. "Agent" and "principal" defined. An "agent" is a person employed to do any act for another, or to represent another in dealings with third persons. The person for whom such act is done, or who is so represented, is called the "principal".

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- iii. It is further submitted that the High Court of Telangana in the judgement pertaining to the Arbitration Application no. 46 of 2020 annexed to the detailed reply dt. 19-10-2023 filed by the Respondent no. 4, has categorically mentioned that Respondent no. 4 is an employee at starting from 7th line of page no. 71 of the list document of the detailed reply dt. 19-10-2023 filed by the Respondent no. 4, which is also extracted here below for ready reference:
- iv. Likewise, it was pleaded by the respondents that the husband of the applicant was the key person and he is the alter-ego of the applicant. But, admittedly the husband of the applicant is the employee of the firm and he cannot be related to claims made in the arbitration. Moreover he is neither a partner nor a party to the arbitration agreement and till date he did not make any claim against the firm or the partners. Therefore, he is no way

concerned with the affairs of the firm except in the capacity of an employee"

- v. Henceforth, the Respondent no. 4 acted as an Agent of the Principal M/s Reliance Developers (Dissolved Firm) upon the instructions and the authorization of Respondent no. 2 who was the then Managing Partner of the Respondent no. 1.
- vi. It is further submitted that the Principal M/s. Reliance Developers (Dissolved Firm) i.e., Respondent no. 1 as stood dissolved all the four partners of the dissolved firm M/s. Reliance Developers i.e., Respondents no. 2, 3, 5 and 6 are jointly and severally responsible to the Complainant as per the Section 226 of The Indian Contract Act, 1872. For ready reference the Section 226 of The Indian Contract Act, 1872 is extracted below:

"226. Enforcement and consequences of agent's contracts. Contracts entered into through an agent, and obligations arising from acts done by an agent, may be enforced in the same manner, and will have the same legal consequences, as if the contracts had been entered into and the acts done by the principal in person".
- vii. It is further submitted that the Respondent no. 4 cannot personally enforce and is not bound by the contracts executed on behalf of the Principal i.e., the Respondent no. 4 cannot enforce and is not bound by the Agreement of Sale dt. 29-01-2019 executed as an Agent of the Principal M/s. Reliance Developers (Dissolved Firm) as per Section 230 of The Indian Contract Act, 1872.
- viii. State Of Maharashtra And Ors vs Kanchanmala Vijasinci Shirke And Ors on 22 August, 1995 by Supreme Court annexed herewith as list document no. Poongottil Prasad vs Melattur Grama Panchayat And Ors on 07-07-2023 by Kerala High Court annexed herewith as list document no 7 The relevant paras of the Judgement "State Of Rajasthan vs Smt. Shekhu And Ors. on 22 July, 2004 by Rajasthan High Court" are extracted below for ready reference:

"8. Before proceedings further and examining the findings on issue No. 3, position of law in respect of vicarious liability and sovereign liability has to be seen".

- ix. "Vicarious liability" means that one person takes or supplies the place of another so far as liability is concerned. This phrase means the liability of a person for the tort of another in which he had no part. A master is jointly and severally liable for any tort committed by his servant which acting in the course of his employment".
- x. It is settled and undisputed principle of the law of Torts that master is answerable for every such wrong of his servant as is committed in the course of his service, though no express command or privity of the master be proved and the wrongful act may not be for the master's benefit. In fact, there is a catena of authority even for the proposition that although the particular act which gives the cause of action may not be authorised, still, if the act is done in course of employment which is authorised, the master is liable. This doctrine of liability of the master for the acts of his servant is based on the maxim respondent superior, which means "let the principal be liable and it puts the master in the same position as if he had done the act himself. It also derives validity from the maxim qui facit per alium facit per se, which means 'ho who does an act through another is deemed in law to do it himself."
- xi. Even when the owner of the motor vehicle is involved in an accident is not 'directly negligent, still he becomes liable to pay the compensation to the claimants if they show that the accident has been caused due to the negligence of the driver or some other servant of the owner. Such liability is called vicarious liability where under common law the master becomes liable for the negligent actions of his servants carried out in the course of their normal duties".
- xii. The point as to how far the State was liable In tort first directly arose before the Hon'ble Supreme Court in State of Rajasthan v. Mst. Vidyawati, AIR 1962 SC 933. In that case, the claim for damages was made by the dependants of a person who died in an accident caused by the negligence

of the driver of a jeep maintained by the Government for official use of the Collector of Udaipur while it was being brought back from the workshop after repairs. The Rajasthan High Court took the view-that the State was liable, for the State is in no better position in so far as it supplies cars and keeps drivers for its Civil Service. In the case of State of Rajasthan v. Mst. Vidyawati (supra), Hon'ble Supreme Court has held as under:

"Act done in the course of employment but not in connection with sovereign powers of the State, State like any other employer is vicariously liable."

- xiii. Thus, it can be said that the Hon'ble Supreme Court made the position clear that there was no justification, in principle or in public interest, that the State should not be held liable vicariously for the tortious act of its servant". "28. The Hon'ble Supreme Court in the case of State of Maharashtra v. Kanchan-mala Vijay Singh Shirke, AIR 1995 (SC) 2499, has observed that if the vehicle was used in connection with the affairs of the State and for official purpose, the State cannot escape its vicarious liability to pay compensation to the heirs of the victim on the ground that it had never authorised the clerk to drive the vehicle".

- xiv. The relevant paras of the Judgement "Mumthas C vs Tahsildar on 11 February, 2021 by Kerala High Court" are extracted below for ready reference:

"21. The late Rahmathulla is admittedly an Agent of KSFE and was working for the 2nd respondent. If the said Rahmathulla has committed any manipulations or fraud during the course of his engagement as Agent of KSFE, the KSFE has vicarious liability"..

- xv. In Principal-Agent relationship, a responsibility is imposed on the Principal on the acts of Agent. The responsibility is based on common law principle "respondeat superior" ("let the master answer"). Employers are vicariously liable for acts and omissions of their employees. The imposition of liability is based on three reasons. Firstly, the Principal selects the Agent; secondly, the Principal has delegated performance of certain acts to the Agent and when the Principal enjoys the benefits of the acts of his Agent, he should

bear the risk also; and thirdly, the Principal has given the Agent general authority to act".

- xvi. The allegation of the petitioners is that late Rahmathulla was an Agent of the 2nd respondent-KSFE. They have asserted the same in Exts.P2 to P4 complaints. The 6th respondent, who is the wife of late Rahmathulla, has stated in her affidavit as well as in Ext.R6(a) complaint filed before the Court of the Chief Judicial Magistrate, Manjeri that the Rahmathulla was an Agent of the KSFE. The 2nd respondent has not denied the fact that late Rahmathulla was an Agent of KSFE. The 2nd respondent has also not disputed the material allegations made by the petitioners as regards the conduct of Rahmathulla. Therefore, the 2nd respondent cannot be heard to contend that these are disputed questions of fact. The 2nd respondent is vicariously liable to the misconduct or fraudulent conduct of their Agent. In the circumstances of the case, it would be a travesty of justice if the 2nd respondent is permitted to recover the amount defrauded by their Agent from the salary of the petitioners".

The last two paras of the Judgement "State Of Maharashtra And Ors vs Kanchanmala Vijasinci Shirke And Ors on 22 August, 1995 by Supreme Court" are extracted below for ready reference:

The crucial test is whether the initial act of the employee was expressly authorised and lawful. The employer, as in the present case the State Government, shall nevertheless be responsible for the manner in which the employee, that is, the driver and the respondent executed the authority. This is necessary to ensure so that the injuries caused to third parties who are not directly involved or concerned with the nature of authority vested by the master to his servant are not deprived from getting compensation. If the dispute revolves around the mode or manner of execution of the authority of the master by the servant, the master cannot escape the liability so far third parties are concerned on the ground that he had not actually authorised the particular manner in which the act was done. In the present case, it has been established beyond doubt that the driver of the vehicles had been fully authorised

to drive the jeep for a purpose connected with the affair of the state and the dispute is only in respect of the manner and the mode in which the said driver performed his duties by allowing another employee of the State Government, who was also going on an official duty, to drive the jeep, when the accident took place. Once it is established that negligent act of the driver and respondent was in the course of employment' the appellant State shall be liable for the same". "We are of the view that the appellant State cannot escape its vicarious liability to pay compensation to the heirs of the victim. The appeal is accordingly dismissed there shall be no orders as to cost".

- xvii. The relevant paras of the Judgement "Poongottil Prasad vs Melattur Grama Panchayat And Ors on 07-07-2023 by Kerala High Court" are extracted below for ready reference:

"13. In State of Maharashtra v. Kanchanmala Vijaysing Shirke [1995 (5) SCC 659], the Apex Court held that it is the rule that an employer though guilty of no fault himself, is liable for the damage done by the fault or negligence of his servant acting in the course of his employment. In some cases, it can be found that an employee was doing an authorised act in an unauthorised, but, not prohibited way. The employer shall be liable for such act, because the employee was acting within the scope of his employment and, in so acting, did something negligent or wrongful. A master is liable even for acts he has not authorised, provided they are so connected with the acts which he has been so authorised. On the other hand, if the act of the servant is not even remotely connected within the scope of employment and is an independent act, the master shall not be responsible because the Servant is not acting in the course of his employment but has gone outside".

- xviii. In the case on hand, it cannot be said that the Upper Division Clerk was not acting in the course of his employment. Acceptance of Security Deposit from the petitioner by the Upper Division Clerk cannot be treated as an independent act".

- xix. The fact that UD Clerk of the respondent-Panchayat has accepted amounts from the petitioner is, in fact, admitted. The contention of the respondents is that since the said UD Clerk has not deposited the said amounts into the accounts of the Panchayat and has not made entry in the register, the respondents liable to refund". are not
- xx. In view of the law on Vicarious Liability as discussed above, if any UDC employed by the respondent-Panchayat accepts money and issue the receipts in the course of his employment, the respondents are liable to refund that amount, if the amount accepted is refundable. The fact that a vigilance case is pending and action has been taken against the fraudulent activities of the UDC cannot be an excuse to deny the amounts duly deposited by the petitioner on the basis of the receipts issued on behalf of the Panchayat. The Panchayat is vicariously liable".
- xxi. In the circumstances, the writ petition is allowed. The respondents are directed to refund the amount due to the petitioner within a period of one month.
- xxii. It is further humbly submitted that as per the above submissions of the Respondent no. 4, it is crystal clearly established that Respondents no. 2, 3, 5 and 6 are jointly and severally responsible for the enforcement of the Agreement of Sale dt. 29-01-2019 to the Complainant or in any other financial means and respondent no. 4 is no way concerned with the affairs of the dissolved firm M/s. Reliance Developers (Respondent no.1).

G. Points framed for consideration:

28. Now, the points that arise for consideration, based on the pleadings submitted by both parties, are as follows:

1. Whether the complaint is maintainable before this Authority?
2. Whether the Complainant is entitled to the relief of cancellation of the sale deed executed in favor of Respondent No. 7 and a direction to the Respondents to execute a sale deed in favor of the Complainant?
3. Whether the Complainant has paid the sale consideration amount towards Unit No. 102 in the concerned project?

4. Whether the complainant is entitled to a refund of the amount paid? If so, at what rate of interest?

29(1). Point 1: Whether the complaint is maintainable before this Authority?

1. The Respondents 1,2,3,5 & 7 have raised a preliminary objection regarding the maintainability of the complaint. They argue that the Complainant does not qualify as an "allottee" under the RE(R&D) Act and therefore lacks the standing to file the present complaint. The Respondents further contest the validity of the Agreement of Sale executed between the Complainant and Respondent No. 4, alleging that the agreement is deficient, primarily due to the absence of witnesses and the mention of a substantial cash payment of INR 75,00,000/-. They also argue that the authority of Respondent No. 4 to enter into such an agreement and collect payments on behalf of the firm is questionable, and the same is required to establish in appropriate civil court.
2. The Complainant, on the other hand, asserts that the complaint is squarely within the jurisdiction of this Authority. The Complainant submits that Respondent No. 4, Mr. S. Rajesh Kiran, was the authorized signatory of the registered project under RERA vide Registration No. P02500000185. The Complainant argues that TG RERA has the authority under Sections 17 and 18 of the RE(R&D) Act to enforce the return of amounts paid along with compensation and interest, and that this Authority has the jurisdiction to entertain the complaint.
3. Upon reviewing the submissions, this Authority finds that the Respondents' challenge to the maintainability of the complaint is premised on the argument that Respondent No. 4 lacked the authority to enter into the Agreement of Sale or to collect payments. However, the records available on the RERA website indicate that Respondent No. 4 was indeed listed as the authorized signatory for Respondent No. 2 at the relevant time. This designation, being documented in the RERA

records, indicates that Respondent No. 4 acted within the scope of his authority as recognized by Respondents No. 1 and 2 on the RERA website.

4. Further, the Complainant's payment towards the unit, as per the Agreement of Sale, and the subsequent actions of Respondent No. 4, who admitted to entering into the agreement and receiving payments, reinforce the Complainant's status as an "allottee" under Section 2(d) of the RE(R&D) Act. The Complainant's rights as an allottee are thus protected under the RE(R&D) Act, which is designed to safeguard the interests of consumers in the real estate sector.
5. In view of the above, this Authority holds that the complaint is maintainable before the Telangana Real Estate Regulatory Authority. The Complainant qualifies as an "allottee" under the RE(R&D) Act, and the matter falls within the jurisdiction of this Authority.

29(2). Point 2: Whether the Complainant is entitled to the relief of cancellation of the sale deed executed in favor of Respondent No. 7 and a direction to the Respondents to execute a sale deed in favor of the Complainant?

1. The Complainant has sought the cancellation of the sale deed executed in favor of Respondent No. 7 and a direction to the Respondents to execute a sale deed in favor of the Complainant. The Complainant argues that the sale deed executed in favor of Respondent No. 7 is illegal and should be annulled.
2. Upon a thorough examination of the documents and submissions presented, it is evident that Respondent No. 1 entered into an Agreement of Sale with Respondent No. 7 on 5th May 2018. Subsequently, Respondent No. 7 instituted a suit for specific performance; vide O.S. No. 43 of 2021, which culminated in the execution of a sale deed in favor of Respondent No. 7. The said sale deed has been duly registered and acknowledged by the Respondents, thereby conferring transfer of ownership of the subject property to Respondent No. 7.

3. It is pertinent to note that the Complainant entered into an Agreement of Sale on 29th January 2019, which is nearly a year subsequent to the Agreement of Sale executed with Respondent No. 7.
4. The Authority recognizes that under the principles of law, the first buyer in whose favor the sale deed is duly registered is deemed the rightful owner, provided the transaction is conducted in compliance with the law. In this case, the sale deed in favor of Respondent No. 7 has been registered, and Respondent No. 7 has been in possession of the unit for over a year.
5. It is well-settled that once a sale deed is executed and registered, the seller's ownership rights are extinguished, and the ownership of the property vests in the allottee. Any subsequent sale by the seller of the already sold property amounts to fraud and deceit.
6. The Authority further notes that it does not have the jurisdiction to cancel a duly registered sale deed. The RE(R&D) Act does not confer upon this Authority the powers of a civil court in matters of sale deed cancellation. Such relief must be sought before a competent civil court.
7. In light of the above observations, the Authority concludes that the Complainant is not entitled to the relief of cancellation of the sale deed executed in favor of Respondent No. 7. However, the Complainant may approach the civil court for the desired relief.
8. Furthermore, the Complainant has sought a direction from this Authority to compel Respondent No. 1 to register Flat No. 202 or 301 in the subject project, asserting that these units are vacant and unsold. However, upon conducting due diligence, the Authority has determined that no flats remain vacant as per the Encumbrance Certificate of said project at present. It is further noted that Respondent No. 1 has obtained the Occupancy Certificate for the project in question.

29(3). Point 3: Whether the Complainant has paid the sale consideration amount towards Unit No. 102 in the concerned project?

1. The Complainant contends that a total amount of Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakhs only) has been paid towards the

purchase of Unit No. 102, out of a total consideration of Rs. 1,32,50,000/-. The Complainant has submitted documentary evidence of payments made on various dates, including RTGS transfers and cheque payments. The payments are as follows:

- (1) Rs. 29,00,000/- by RTGS on 22.01.2019
- (2) Rs. 1,00,000/- by Cheque on 21.01.2019
- (3) Rs. 75,00,000/- in cash during February and March 2019
- (4) Rs. 10,00,000/- by RTGS on 11.03.2019
- (5) Rs. 5,00,000/- by RTGS on 10.10.2019

2. Respondent No. 2 denies that these payments were made as consideration for the sale of Unit No. 102. Respondent No. 2 asserts that only Rs. 45,00,000/- was credited into the firm's account, which was categorized as an unsecured loan, and that the payment of Rs. 75,00,000/- in cash was neither authorized nor acknowledged by the firm.

3. Conversely, Respondent No. 4 has admitted to receiving the total amount of Rs. 1,20,00,000/- from the Complainant towards Unit No. 102. He submits that these payments were made under the instructions of Respondent No. 2 and were duly transferred to the firm's account. He further claims to have acted solely upon the instructions of Respondent No. 2, in his capacity as an employee.

4. This Authority notes that Respondent No. 4 is listed as the authorized signatory for the project on the RERA website. The Authority and allottees are entitled to rely on the accuracy of information provided on the RERA website, presuming it to reflect the proper authorization of individuals associated with the project. Therefore, the submissions by Respondents No. 1, 2, 3, and 5, asserting ignorance of Respondent No. 4's actions or authorization, are devoid of merit and cannot be accepted.

5. Furthermore, Respondent No. 2 cannot evade responsibility for the actions of Respondent No. 4, as he was employed by and acted on behalf of the Respondents. The Complainant, relying on the information available on the RERA website, made payments in good faith towards the purchase of the unit. The Respondents are collectively responsible

for ensuring that their internal management and authorization processes are in accordance with legal and regulatory requirements. Any attempt to disclaim liability based on internal mismanagement or procedural lapses is legally untenable.

6. Based on the evidence and submissions, the Authority concludes that the Complainant has indeed paid the amount of Rs. 1,20,00,000/- towards Unit No. 102 of the concerned project. The point is therefore answered in the affirmative.

5. 29(4). Point 4: Whether the complainant is entitled to a refund of the amount paid? If so, at what rate of interest?

1. The Complainant, during the hearing, sought relief under Section 18 of the Real Estate (Regulation and Development) Act, 2016, requesting a refund of the amount paid along with interest, should Respondent 1 fail to register the concerned flat, as this is her last resort. The Authority has carefully considered the Preamble of the RE(R&D) Act, 2016, noting that while the preamble introduces the statute and outlines its primary aims and objectives, emphasizes the protection of the interests of "consumers" within the real estate sector. Upon thorough examination, it is evident that the Complainant made payments to the Respondents in good faith, with the expectation of acquiring the unit. However, due to the Respondents' acts, the Complainant's interests have been jeopardized. This Authority holds that it is paramount to protect the rights and interests of the allottee, who has been aggrieved by the Promoters' actions. Therefore, in fulfilling its duty to safeguard the interests of allottees, the Authority grants the relief sought by the Complainant under Section 18 of the RE(R&D) Act.
2. After considering the submissions and the evidence presented, the Authority finds that the Respondents—Respondent 1 (the company), Respondent 2 (the Managing Partner), Respondent 3 (Partner), Respondent 4 (Authorized Signatory), and Respondents 5 and 6 (Partners)—are jointly liable for the refund to the Complainant.

3. Under Section 18 of the RE(R&D) Act, the promoter is obligated to return the amount received from the allottee if possession is not delivered as per the agreement. In this case, Respondent 1, as the principal entity responsible for the project, failed to hand over possession by the agreed-upon date. Respondents 2, 3, 5, and 6, in their capacities as Managing Director and Partners, respectively, had direct control and management responsibilities over the project, making them accountable for the default. Furthermore, Respondent 4, as the Authorized Signatory, executed agreements on behalf of the company, further binding them to the obligations under the RE(R&D) Act.
4. The Hon'ble Supreme Court, in *M/s Newtech Promoters and Developers Pvt. Ltd vs. State of Uttar Pradesh & Ors.*, 2021 SCC OnLine 1044, has clarified that the right of the allottee to seek a refund under Section 18 is absolute and unconditional. This right extends to the refund of the entire amount paid, along with interest, regardless of any internal disputes or unforeseen events that may have prevented the delivery of possession.
5. In light of the aforementioned observations, it is clear that the Respondents No. 1, 2, 3, 4, 5, and 6 are jointly and severally liable for their collective failure to handover the possession to the allottee, selling the flat to the complainant which is already sold to Respondent 7 and adhere to the provisions of the Real Estate (Regulation and Development) Act, 2016.
6. The Authority finds that Respondent 1 engaged in malafide practice and fraudulent conduct by collecting payment from the Complainant and entered into agreement of sale for a unit that had already been promised to another allottee through agreement of sale dated 05.05.2018. Under Section 11 of the RE(R&D) Act, the promoter is responsible for fulfilling all obligations, responsibilities, and functions as per the Act and the agreement of sale. Respondent 1's failure to adhere to these obligations constitutes a violation of Section 11 of the RE(R&D) Act, as the responsibility to ensure compliance with the Agreement of Sale and to hand over possession rests squarely with the

promoter. Entering into multiple agreements for the same unit with different purchasers by Respondent 1 is an act with a criminal intent that this Authority considers to be a violation of the statutory obligations under the RE(R&D) Act.

7. The liability of Respondent No. 1, M/s Reliance Developers, is particularly pronounced, as it was the entity to whom the sale consideration amount was paid by the Complainant. The payment of Rs. 1,20,00,000/- was made in good faith by the Complainant, based on the representations and authorizations visible on the RERA platform. The receipt of this amount, despite the prior sale of the same unit to Respondent 7 and without adherence to the Act's mandatory provisions, necessitates the return of the sale consideration to the Complainant, as a corrective measure.
8. Respondents No. 2, 3, 4, 5, and 6, being part of the entity's management or having direct involvement in the transactions, are equally culpable for their non-compliance with the Act. Their joint and several liability arises from their collective actions, omissions, and failure to ensure that the possession promised to the allottee is handed over.
9. The interest at 2% above the State Bank of India's highest marginal cost lending rate, which as of 15.08.2024 is 8.85%, totaling 10.85% per annum, shall be payable from the date of receipt of each payment until the date of repayment.
10. In view of the above, this Authority directs Respondent No. 1, M/s Reliance Developers, to refund the sale consideration amount of Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakhs only) to the Complainant within 45 days from the date of this order. The refund shall include interest at the rate of 10.85% per annum, calculated from the date of receipt of each payment until the date of repayment.

30. The Authority observes that Respondent No. 1 entered into an Agreement of Sale with Respondent No. 7 on 05.05.2018, which predates the RERA registration obtained by Respondent No. 1 on 21.09.2019, under TG RERA

Registration No. P0250000185. It is, therefore, evident that Respondent No. 1 offered to sell or market units within the concerned project before obtaining or even applying for RERA registration.

Section 3 of the Real Estate (Regulation and Development) Act, 2016, stipulates as follows:

'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.'

31. A plain reading of the aforementioned section makes it unequivocally clear that no promoter is permitted to promote a real estate project before obtaining RERA registration. As Respondent No. 1, without the requisite RERA registration, collected advance payments for the concerned unit and entered into an Agreement of Sale, such actions constitute a violation of Section 3 of the Real Estate (Regulation and Development) Act, 2016.

H. Directions of the Authority:

32. In light of the findings of the Authority as recorded above, the following directions under section 37 of the RE(R&D) Act to ensure compliance with obligations imposed upon the under the RE(R&D) Act are issued:

1. The Respondents No. 1, 2, 3, 4, 5, and 6 are jointly and severally liable for their failure to adhere to the provisions of the Real Estate (Regulation and Development) Act, 2016. Respondent No. 1, M/s Reliance Developers, to whom the amount was paid, is hereby directed to refund the sale consideration of Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakhs only) received from the Complainant within 45 days from the date of this order. The refund shall be made along with interest at

the rate of 10.85% per annum, calculated from the date of receipt of each payment until the date of repayment.

2. For contravening section 3 & 11 of the RE(R&D) Act, this Authority, exercising its powers under section 59 of RE(R&D) Act, imposes a penalty on Respondent 1 of Rs.20,02,762/- (Rupees Twenty Lakh Two Thousand Seven Hundred and Sixty-Two Only). The amount is payable in favour of TGRERA FUND through a Demand Draft or online payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036, within 30 days of the receipt of this Order by the Respondent/Promoter.
 3. The Respondents are hereby informed that failure to comply with this Order shall attract Section 63 of the Act.
 4. In the result, the complaint stands disposed of. The parties shall bear their own costs.
33. If aggrieved by this Order, the parties may approach the Telangana Real Estate Appellate as per Section 44 of the Act, 2016.



Sd/-
Sri. K. Srinivas Rao,
Hon'ble Member
TG RERAs

Sd/-
Sri. Laxmi NaryanaJannu,
Hon'ble Member
TG RERA

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