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

Complaint No. 303 of 2024
Dated: 31st October, 2025

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

Kodaganti Thirumalesh
Rep by General Power of Attorney Holder Mr. W.R.Gajendra Babu,
R/o: 6-7-576, Sripuram Colony,
K.T.Road, Tirupati – 517501,
Andhra Pradesh

…Complainant

Versus

M/s R Homes
Rep. by its Managing Partner, Chakka Sudha Rani
R/o: Flat No. 503, 5th Floor,
Sai Krishna Villas, Plot No. 33 & 34, A.S. Raju Nagar,
Kukatpally, Hyderabad – 500072,
Telangana

…Respondent

The present matter filed by the Complainant mentioned herein above came up for final hearing on 18.07.2025 before this Authority in the presence of the Complainant, who appeared virtually and none for the Respondent, and upon hearing the submissions of the Complainant, this Authority proceeds to pass the following **ORDER**:

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

A. Brief facts of the case:

3. It is submitted that the Complainant has bought a flat in the residential project "*Jai Vasavi Bliss Heights*" developed by the Respondent, M/s. R Homes, located at Sy. No. 154, Yamnampet Village, Ghatkesar Mandal, Medchal Malkajgiri District, Telangana. Influenced

by the Respondent's advertisements and representations, the Complainant entered into an agreement dated 23.01.2021 for the purchase of Flat No. 119 in Block B for a total consideration of ₹24,02,400/-.

4. The entire sale consideration amount was paid by the Complainant in full, in the following manner:

Sl.No	Date	Amount
1.	28.12.2020	Rs.2,00,000/-
2.	01.01.2021	Rs.3,00,000/-
3.	02.01.2021	Rs.10,00,000/-
4.	03.01.2021	Rs.8,50,000/-
5.	06.01.2021	Rs.52,400/-
	Total	**Rs.24,02,400/-**

5. As per Clause 5 of the agreement, possession of the said flat was promised to be handed over within 24 months from the date of the agreement, i.e., by 22.01.2023. However, till date, there is no progress in the construction of the block and no possession has been handed over.

6. The Complainant has stated that despite repeated attempts to seek an update, the Respondent has failed to provide any status on construction progress and has evaded communication. It is also submitted that the Promoter has violated Section 13(1) of the RE(R&D) Act, 2016 by accepting more than ten per cent of the cost of the flat as an advance or application fee, without first entering into a written agreement for sale and register the said agreement of sale.

B. Relief(s) Sought:

7. Accordingly, the Complainant sought the following relief:

i. Complete refund of the amount that was paid by the Complainant with appropriate interest.

C. Observations of the Authority:

8. The record clearly indicates that despite due service of notice, the Respondent has failed to appear before this Authority, nor has it filed any written response or made any representation to contest the allegations made by the Complainant. Such persistent non-appearance and failure

to respond, despite repeated opportunities afforded, demonstrate a deliberate disregard for the proceedings of this Authority. Therefore, after being satisfied that due process was duly followed and all procedural requirements were complied with, this Authority was constrained to proceed ex parte against the Respondent by order dated 18.07.2025.

9. Upon careful perusal of the record and the documents placed before this Authority, it is observed that the Complainant and the Respondent have entered into an agreement titled "Agreement for Investment" dated 23.01.2021. On careful examination, it is evident that despite being titled as an *Agreement for Investment*, the said instrument contains all essential attributes of an *Agreement of Sale* within the meaning of the RE(R&D) Act, 2016.

10. A perusal of the recitals and clauses of the said agreement reveals that the Respondent has allotted to the Complainant Flat No. 119, admeasuring 1092 square feet, situated on the first floor of Block B in the project titled *"Jai Vasavi Bliss Heights"*, for a total consideration of ₹24,02,400/-. The agreement also records that the possession of the apartment was to be handed over within 24 months from the date of final approvals for construction. The Respondent has, therefore, clearly collected a defined sale consideration against the allotment of a specific residential unit in a real estate project, thereby satisfying the legal characteristics of an *agreement for sale* as envisaged under Section 2(c) read with Section 13 of the RE(R&D) Act.

11. It is a well-settled principle of law that the nomenclature of a document is not decisive, and the contents of the document, read as a whole, must be examined to discern its true nature and intent. Although the document is titled as an *"Agreement for Investment"* and refers to the Complainant as an *investor*, a plain reading of the clauses therein demonstrates that the arrangement is, in substance and effect, an agreement for sale. The Respondent has accepted a definite sale consideration, identified a specific apartment, and promised delivery within a stipulated timeframe, which unequivocally characterize the document as an agreement of sale. The attempt of the Respondent to disguise such a transaction as an *investment* arrangement is a deliberate effort to evade the statutory obligations imposed upon promoters under the RE(R&D) Act. Accordingly, this Authority treats the agreement titled "*Agreement for Investment*" dated 23.01.2021 as an *Agreement for Sale* under the provisions of the RE(R&D) Act.

12. Before proceeding further, it is pertinent to note that the said agreement was executed on 23.01.2021, and the recitals therein expressly indicate that the booking of the flat was part of a *"pre-launch offer."* The record further shows that the project, *"Jai Vasavi Bliss Heights,"* obtained registration with this Authority only on 23.09.2023 under Registration No. P02200007023. Thus, the Respondent has entered into an agreement of sale with the Complainant and collected substantial sum of money towards sale consideration well before obtaining registration for the project. Such conduct is in clear violation of the mandatory provisions contained under Sections 3 and 4 of the RE(R&D) Act, which categorically prohibits a promoter from advertising, marketing, booking, selling, or offering for sale any apartment or building in a project without prior registration.

13. It is further observed that this Authority has already adjudicated a similar violation by the same Respondent in Complaint No. 119 of 2024, pertaining to this very project. In that case, a penalty of ₹8,30,111/- was imposed upon the Respondent for violations of Sections 3 and 4 of the RE(R&D) Act. Therefore, the issue of pre-registration development and collection of consideration stands on an identical footing in the present matter and has already been dealt with by this Authority in its earlier order.

14. In the present case, the Complainant has contended that he purchased Flat No. 119 in Block B of the said project and paid a total consideration of ₹24,02,400/-. It is the case of the Complainant that the Respondent undertook to deliver possession of the flat within 24 months from the date of the agreement, as per Clause 5 thereof, but has failed to do so and that there has been no visible progress in the construction of the said block.

15. Upon perusal of the record, Clause 5 of the agreement dated 23.01.2021 stipulates that possession shall be handed over within 24 months from the date of final approval of the construction. The HMDA approval placed on record by the Complainant shows that such approval was granted vide Application No. 048027/ZOB/R1/U6/HMDA/05082021, dated 17.03.2023. Therefore, the stipulated possession period of 24 months would expire on 17.03.2025.

16. However, as of this date, there is no evidence of completion or handover of possession. The Respondent has not filed quarterly progress reports with this Authority as required under Section 11(1) of the Act, thereby preventing the Authority from ascertaining the present stage of construction. The Complainant's assertion that there has been negligible progress in the said

block of the project remains uncontroverted. The Respondent's failure to deliver possession as promised constitutes a violation of the obligations imposed upon a promoter under Section 11(4)(a) of the RE(R&D) Act.

17. Although Clause 6 of the said agreement provides for a grace period of six months in case of unforeseen circumstances or natural calamities, no such circumstances have been shown to exist in the present case. It is significant to observe that the agreement was executed in January 2021, at a time when the impact of the COVID-19 pandemic was already well-known. The Respondent, being fully aware of the prevailing situation at that time, still undertook to deliver possession of the flat to the Complainant.

18. This Authority observes that the Complainant has produced substantial evidence demonstrating payment of the total sale consideration of ₹24,02,400/- (Rupees Twenty-Four Lakhs Two Thousand and Four Hundred only) to the Respondent towards the purchase of the said flat in the project titled *"Jai Vasavi Bliss Heights"*. The payment particulars furnished in the complaint, supported by receipts issued by the Respondent, clearly establish that the entire amount was duly received by the Respondent. The Agreement dated 23.01.2021 further corroborates the same, wherein the Respondent has expressly acknowledged receipt of the said sum towards the sale consideration for the said flat.

19. The Respondent, having collected substantial sale consideration from the Complainant and having failed to deliver possession of the said flat within the stipulated period, is squarely liable under the provisions of Section 18(1) of the RE(R&D) Act. Section 18(1) mandates that where the promoter fails to complete or is unable to give possession of an apartment, plot or building in accordance with the terms of the agreement for sale, the allottee shall be entitled to withdraw from the project and claim refund of the amount paid along with interest at the prescribed rate.

20. In the present case, the Respondent has failed to fulfil its contractual commitment to hand over possession within the period stipulated in the said Agreement and has neither completed the construction nor registered the apartment in favour of the Complainant. Consequently, the Complainant has a vested right under Section 18(1) of the RE(R&D) Act to seek refund of the entire consideration paid, together with interest at the rate prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, i.e., the *State Bank of India's highest marginal cost of lending rate (MCLR) plus two percent per annum*. The

interest shall be computed from the date of execution of the Agreement of Sale, i.e., 23.01.2021, as the Respondent failed to stipulate any definite date of possession. The Clause 5 of the agreement merely links possession to be within 24 months from the date of final approvals of construction, leaving the Complainant in a position of indefinite uncertainty. The Complainant, having entered into the agreement under a pre-launch offer and having waited for an unreasonable and undefined period without possession or progress, cannot be deprived of interest for the entire duration during which his funds remained blocked with the Respondent. Accordingly, the date of execution of the Agreement of Sale shall be treated as the commencement point for calculating interest payable to the Complainant.

21. Accordingly, this Authority holds that the Complainant is entitled to refund of the entire consideration paid, amounting to ₹24,02,400/-, together with applicable interest as per Rule 15 of the Telangana RE(R&D) Rules, 2017, calculated from the date of execution of *Agreement of Sale* i.e., 23.01.2021, till the date of actual refund by the Respondent.

D. Directions of the Authority

22. In accordance with the discussions made above, this Authority, vide its powers under Sections 37 and 38, issues the following directions to the Respondent:

i. The Respondent is directed to refund the entire amount of Rs.24,02,400/- (Rupees Twenty-Four Lakh Two Thousand Four Hundred Only) along with interest at the rate of 10.75% per annum (SBI MCLR of 8.75% + 2%) calculated from the date of execution of *Agreement of Sale* i.e., 23.01.2021, till the date of actual refund by the Respondent. The said refund together with interest shall be made within thirty (30) days from the date of receipt of this order.

23. Failing to comply with the above-said direction by the Respondent shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.

24. In view of the above, the present complaint is disposed of. No order as to costs.

Sd/-	**Sd/-**	**Sd/-**
Sri K. Srinivasa Rao,	**Sri Laxmi Narayana Jannu,**	**Dr. N. Satyanarayana, IAS (Retd.),**
Hon'ble Member,	**Hon'ble Member,**	**Hon'ble Chairperson,**
TG RERA	**TG RERA**	**TG RERA**