

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

Complaint No. 38 of 2025

31st March, 2026

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

Smt. Adi Vanaja

*W/o Dr. Adi Mohan Rao, R/o. Villa No.8, Aditya Impress Park
Shaikpet Nallah, Toli Chowki, Hyderabad-500 081*

... Complainant

Versus

1. M/s. Ayyanna Infra Private Limited

*Plot. No.350, Street No.8, Kakatiya Hills,
Madhapur, Hyderabad-500 081*

2. Sri. Puralashetty Sreedhar

*Managing Director of Respondent No.1 Villa No.9,
Phase-I, Kamalapuri Colony Srinagar Colony, Hyderabad*

3. Smt. G. Suma, W/o GVR Surendra,

*R/o. 10830, Barbadosisle Dr.Tampa
FL 33467,8368, USA, presently staying in Hyderabad*

4. Smt. Vaniambadi Srinivasan Hemalatha

*R/01708, Pegausus B Wing, Meenakshi Sky
Lounge Hitex Road, Kondapur, Hyderabad-500 084*

5. Sri. Kaza Kalyan Chakravarthy

*R/o. Flat. No.201, Sai Kiran Deluxe Apartments,
Srinagar Colony, Hyderabad-500 073*

6. Smt. Vijaya Sri Gajarapu,

*R/o. 3-6-594/402, Sarada Gopalan Apartments,
Street. No. 8, Himayat Nagar, Hyderabad-500 029*

7. Sri. Kedari Suryanarayana,

*S/o K. Satyanarayana,
R/o. House. No. 1-8-425, Chikkadpally, Hyderabad-500020*

8. Smt. K. Laxmi,

*W/o K. Ramesh Kumar,
R/o. H.No. 1-8-425, Chikkadpally, Hyderabad-500020*

9. Sri. Chittineni Venkata Srinivasa Rao,

S/o Chitneni Koteswar Rao,

10. State Bank of India,

SME Branch, Yellareddyguda, Srinagar Colony,
Khairatabad, Hyderabad, Telangana-500073

... Respondents

The present matter filed by the Complainant herein came up for hearing before this Authority in the presence of A. Rajendra Prasad, Counsel for the Complainant, T. Niharika, Counsel for Respondent No. 1 to 9, B. Sathish, Counsel for Respondent No. 10 and after hearing the submission made by both the parties, this Authority passes 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 “RE (R&D) Act”) read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the “TG RE(R&D) Rules”) seeking appropriate relief(s) against the Respondents.

A. Brief facts of the Case:

3. The Complainant submitted that she came into contact with Respondent No. 2 through her brother and relatives around 15.08.2020, and that Respondent No. 2 represented that he and his wife were owners of Respondent No. 1 Company, M/s. Ayyanna Infra Private Limited, which was engaged in real estate and construction activities in Hyderabad, and showed her brochures of buildings claimed to be constructed by his company.

4. The Complainant submitted that Respondent No. 2 informed her that Respondent No. 1 had entered into a Development Agreement-cum-General Power of Attorney with landowners over 2,500 sq. yds. at Guttala Begumpet, and that a 12-storied apartment building named "Ayyanna Prima" was proposed, which induced her to show interest in purchasing a flat in the said project. Upon the invitation of Respondent No. 2, she visited his residence on 30.08.2020, where he assured her that the construction of “Ayyanna Prima” (2 cellars + 1 stilt + 12 upper floors) would be completed within two years and that work would commence shortly, and further represented that Respondent No. 1 was a family-owned company in which he was the final decision-maker.

5. The Complainant submitted that Respondent No. 2 told her that the application for building permission had been filed with GHMC and that permission was expected soon, and citing heavy demand in the area, induced her to take a quick decision, leading her to book Flat No. 801 on the 8th floor admeasuring about 4,500 sq. ft and further the Respondent No. 2

allotted Flat No. 801 with a built-up area of 4,545 sq. ft., three car parking spaces and 105 sq. yds. undivided share of land for a total sale consideration of Rs. 2,25,00,000/-, besides additional amounts for optional add-ons, and that she paid an advance of Rs. 25,00,000/- on 30.08.2020, which was acknowledged by Respondent No. 1 Company.

6. The Respondent No. 2, taking advantage of being a distant relative, induced her to pay further amounts by stating that construction had commenced and required immediate funds, due to which she paid Rs. 1,00,00,000/- on 08.09.2020 (Rs. 50,00,000/- in cash and Rs. 50,00,000/- through RTGS). The Respondent No. 2 continued to induce her to make further payments on the pretext of construction progress, due to which she paid Rs. 75,00,000/- between 09.10.2020 and 21.11.2020, thereby making a total payment of Rs. 2,00,00,000/- by the end of November 2020, and that Respondent No. 1 later issued a payment statement reflecting total payments of Rs. 3,45,00,000/- up to 10.01.2023, confirming that Rs. 2,00,00,000/- had indeed been paid by 21.11.2020.

7. The Complainant submitted that upon repeated requests from her for execution of the Agreement of Sale, Respondent No. 2 called her to Hyderabad on 30.01.2021 and handed over an already-signed Agreement of Sale showing only Rs. 1,00,00,000/- as advance payment, and when she objected, he assured her that a revised agreement reflecting actual payments would be prepared for registration shortly. As Respondent No. 1 had issued receipts for all payments and having no option after paying huge amounts, she signed the Agreement of Sale, although at that time Respondent No. 1 did not possess any Supplementary Development Agreement with landowners conferring exclusive authority to sell Flat No. 801, nor had GHMC granted construction permission as on the date of the Agreement.

8. The Respondent No. 1 had executed Supplementary Development Agreements with only two out of seven landowners, and that the Supplementary Agreements allocating Flat No. 801 to Respondent No. 1's share were executed only on 18.09.2021, much after the Agreement of Sale dated 30.01.2021, and that without the execution of Supplementary Agreements by all landowners, Respondent No. 1 was not legally entitled to sell Flat No. 801; yet Respondent No. 2 deliberately concealed these material facts and induced her to pay huge sums.

9. The Agreement of Sale clearly shows that Respondent No. 1 Company was constructing a multi-storied residential building (2 Cellars + 1 Stilt + 12 Upper Floors) under the name "AYYANNA PRIMA" on plots No. 335, 336, 337, 360 (Phase-I), 360 (Part-II) & 361 in Sy. No. 33, 34/P, 35/P, 36, 37, 38 & 39 at Ravindra Co-Operative Housing Society Limited, Guttala

Begampet, Serlingampalli (M), Ranga Reddy District, and that she agreed to purchase Flat No. 801 on the 8th floor with a built-up area of 4,545 sq. ft. (including common areas), three car parking spaces of 100 sq. ft. each, and an undivided share of 105 sq. yds. of land out of 2,500 sq. yds., for a total sale consideration of Rs. 2,25,00,000/-, a copy of which is filed herewith.

10. The Complainant submitted that on the same day, Respondent No. 2 presented a further “Sale-cum-Development Agreement” with similar terms and two additional clauses providing that the purchaser and vendor mutually agreed to undertake certain specific improvements and add-ons at an estimated cost of Rs. 2,25,00,000/- (flat development price), with all development costs to be paid by the purchaser as per the payment schedule, including applicable GST or other taxes, and that the purchaser would pay the balance amount of Rs. 3,50,00,000/- towards the flat sale price at the time of commencement of the 8th floor brick work.

11. The Complainant submitted that as per the General Payment Schedule, the payments were to be made as follows:

- Advance at the time of booking - 25% of the total sale consideration on completion of the basement slab;
- On completion of the basement slab 25% of the total sale consideration
- 10% on commencement of brick work;
- 10% on commencement of flooring work; and
- 5% before registration or taking possession.

The Complainant further submitted that Respondent No. 2, however, had shown only Rs. 1,00,00,000/- (Rupees One Crore) in the Agreement as against the Rs. 2,00,00,000/- (Rupees Two Crores) actually paid by her as advance.

12. The Complainant have asked the Respondent No.2 about the necessity of the second agreement i.e., “Sale-Cum-Development Agreement” since the specific improvements had not yet been decided, mentioning an estimated cost of Rs. 2,25,00,000/- for such undecided works had no basis; however, Respondent No. 2 insisted on signing the second “Sale-cum-Development Agreement,” assuring that any excess payment beyond Rs. 2,25,00,000/- would be adjusted against stamp duty, registration charges, GST, maintenance charges, and the specific improvements to be finalized after completion of the flat. The Complainant, having no alternative, signed the agreement on his insistence.

13. The Complainant further submitted that despite repeated requests for registration of the Agreement of Sale before the sub-registrar, Respondent No. 2 willfully avoided the matter. It is therefore submitted that by 30-01-2021, the Complainant had paid Rs. 2,00,00,000/- to

Respondent No. 1, which was prior to the execution of the Agreement, when Respondent No. 1 had no authority to allot Flat No. 801, and GHMC had neither sanctioned nor had an application been made for building construction permission, constituting misrepresentation and a breach of the Telangana Real Estate (Regulation & Development) Act, 2016 (RERA).

14. The Complainant submitted that, in addition to the Rs. 2,00,00,000/- (Rupees Two Crores only) paid prior to the execution of the Agreement of Sale, she had subsequently paid further amounts as requested by Respondent No. 2.

- Rs. 50,00,000/- in cash on 23rd December 2022;
- Rs. 25,00,000/- through bank transfer on 6th January 2023;
- Rs. 35,00,000/- through bank transfer on 9th January 2023;
- Rs. 35,00,000/- in cash on 10th January 2023;
- Rs. 37,50,000/- through bank transfer on 19th July 2023;

Thus, an amount of Rs. 1,82,50,000/- was paid after signing the Agreement of Sale on 30th January 2021. In total, the Complainant had paid Rs. 3,82,50,000/- on different dates, with the last payment on 19th July 2023. The Complainant maintains that by 10th January 2023, she had paid Rs. 3,45,00,000/-, which exceeds the agreed sale consideration of Rs. 2,25,00,000/- by Rs. 1,10,00,000/-. The excess payments were towards specific improvements and add-ons, which were never finalized, and the flat construction had not been completed.

15. The Complainant submits that she was unable to contact Respondent No. 2 regarding the construction status, as he was not responding to calls and the office staff merely directed her to him. Consequently, she requested her husband, Dr. A. Mohan Rao, who was in Hyderabad on 20th March 2024, to meet Respondent No. 2. After considerable difficulty, her husband met Respondent No. 2 at his office to request expediting the construction and to convey the Complainant's intention to occupy the flat as agreed. Respondent No. 2 assured him that a written update on the project status would be sent. However, no such communication was ever received, nor were calls answered thereafter. Accordingly, the Complainant issued a letter dated 1st April 2024 to the Respondents seeking handover of possession of Flat No. 801 at the earliest.

16. The Complainant submitted that Respondent No. 1 Company, vide letter dated 25.04.2024, informed her that she had failed to adhere to the payment schedule despite constant follow-up, and alleged that the Agreement of Sale had been cancelled by an email purportedly sent on 14.09.2023. The Respondent also claimed that, following the alleged cancellation, Flat No. 801 had reverted back to the company, which had obtained bank financing and availed a loan thereon.

17. The Complainant submitted that she was shocked by the alleged termination, having paid the full sale consideration before completion of the flat, and had committed no breach of contract; therefore, no right accrued to Respondent No. 1 Company to cancel the Agreement, rendering the unilateral cancellation illegal, non-est, and not binding.

18. The Complainant submitted that, by her letter dated 09.05.2024, she requested a copy of the alleged email, and Respondent No. 1 Company forwarded a copy on 16.05.2024. Upon examination, the Complainant submitted that

- i. the alleged email of 14.09.2023 was not addressed to her;
- ii. she had not provided any email ID to the Respondent nor did the Agreement authorize sending notices to that address;
- iii. the contents of the alleged email were contrary to the provisions of the Agreement of Sale and hence illegal and non-binding; and
- iv. The Complainant have paid the full sale consideration as acknowledged by Respondent No. 1 Company, no rights were conferred upon the Respondent to cancel the Agreement, and the purported cancellation was beyond its powers.

19. The Complainant submitted that Clause 4 of the Agreement of Sale provides that in the event the purchaser fails to pay the balance amount within 30 days of the milestone payment, the vendor may allot the flat to another party and refund only 75% of the amount paid, forfeiting 25% as liquidated damages. The Complainant submitted that this clause is contingent upon non-payment, and since she had paid the full sale consideration, Respondent No.1 Company had no right to invoke the clause or cancel the agreement. The Complainant further submitted that Respondent No.1 Company's failure to immediately refund 75% of the payments evidences a fraudulent intention.

20. The Complainant submitted that Respondent No.1 Company, through a Memorandum of Deposit of Title Deed registered as Document No. 17170/2023 on 31.10.2023, availed a loan of Rs. 7.0 Crores from State Bank of India by creating a charge over multiple flats including Flat No.801, thereby violating the provisions of the Real Estate (Regulation and Development) Act, 2016. The Complainant have attempted to meet Respondent No.2, but he avoided her, compelling her to file a police complaint for fraud, cheating, criminal breach of trust, and misappropriation. She further submitted that at the time of execution of the Agreement of Sale on 30.01.2021, Respondent No.1 Company did not possess the authority to sell Flat No.801, as the supplementary agreements with the landowners were executed only later on 18.09.2021, with no agreement with the remaining landowners, amounting to misrepresentation and violation of RERA.

21. The Respondent No.1, to avail a loan from SBI, fraudulently cancelled the Agreement of Sale through a message dated 14.09.2023 and executed the deposit of title deed in favour of SBI, creating a charge over several properties including Flat No.801. She submitted that construction of the project has been stopped since October 2023, with Flat No.801 incomplete, despite her having paid Rs.2.25 Crores and an additional Rs.1,57,50,000 for specific add-ons, evidencing fraud and misrepresentation.

22. The Complainant submitted that Respondent No.2, by misrepresenting facts, induced her to believe that a 12-floor building with 2 cellars and one stilt would be constructed, despite knowing that GHMC permits only 10 upper floors. She submitted that payments were collected even before GHMC sanctions, constituting fraud, concealment of material facts, criminal breach of trust, and repeated violation of the RERA provisions, as further demonstrated by the illegal termination of the Agreement of Sale and subsequent creation of a bank charge over the property.

23. The Complainant submitted that Respondent No.2 may have collected substantial amounts from other persons who booked the remaining nine flats falling into his share, while the land of certain owners is currently locked in litigation; therefore, proper verification by this authority is necessary to instill public confidence and prevent influential builders like Respondent No.2 from cheating innocent allottees. The Complainant have issued Legal Notices dated 03.10.2024 and 05.11.2024 to the Respondents, to which Respondent No.1 and 2 replied through their Advocate, Sri N. Naveen Kumar, by Reply Notice dated 21.11.2024.

24. The Respondent No.1 and 2, in their Reply Notice, denied the full payments made by her, falsely contended that RERA provisions do not apply to the disputed agreement of sale, alleged failure on her part to adhere to payment terms, and asserted that the termination of the contract/agreement of sale was within their rights, further claiming that no valid agreement for sale subsists between the Complainant and Respondent No.1 and 2.

25. The Complainant submitted that Respondent No.1 and 2 refused to implement the Agreement of Sale entered into with her. Respondent No.1, acting as attorney and GPA holder for Respondents No.3 to 9, is responsible for constructing the apartment building for mutual benefit and profits of all respondents according to their shares, and by virtue of the irrevocable Development Agreement and GPA with Respondents No.3 to 9, all respondents are jointly and severally accountable to implement the contractual obligations under the Agreement of Sale executed in favor of the Complainant. Further, the Respondents No.3 to 9, as landowners who

entered into a Development Agreement and irrevocable General Power of Attorney with Respondent No.1, are severally and jointly liable, responsible, and accountable to ensure fulfillment of the Agreement of Sale executed by Respondent No.1 with the Complainant and all subsequent obligations thereunder.

B. Relief(s) Sought:

26. In view of the facts mentioned above, the Complainant sought the following reliefs:

- a) *To direct the Respondent Nos. 1 and 2 shall register a sale deed with respect to Flat No. 801 with three car parking areas of 100 square feet each, along with an undivided share of land admeasuring 105 square yards out of 2,500 square yards in the multi-storied Residential Building under the name and style of "AYYANNA PRIMA" in favour of the Complainant in accordance with the Agreement of Sale executed on 30th January 2021 for a sale consideration of Rs. 2,25,00,000/-;*
- b) *To direct the Respondent Nos. 1 and 2 shall pay the Complainant rent at Rs. 22,725/- per month with effect from 3rd June 2024 till handing over of possession of the scheduled property, duly completed construction as per the specifications agreed upon;*
- c) *To direct the Respondent Nos. 1 and 2 shall refund the excess amount of Rs. 1,57,50,000/- paid by the Complainant towards certain specific improvements and additions to the said flat, immediately with Bank Interest rate from 3rd June 2024 till actual payment by the Respondents;*
- d) *To direct the Respondent Nos. 1 and 2 shall remove the charge created against the scheduled property of Flat No. 801 immediately;*
- e) *That Respondent Nos. 3 to 9 being land owners who have entered into a Development Agreement and an irrevocable General Power of Attorney with Respondent No. 1, are jointly and severally liable and responsible for the implementation of the contractual obligations in respect of the agreement of sale executed in favour of the Complainant.*

C. Counter filed by Respondents No. 1 and 2:

26. The Respondent Nos. 1 and 2 stated that the reliefs sought by the Complainant, namely execution of sale deed in respect of Flat No.801 along with three car parking spaces and undivided share of land, payment of rent at Rs.22,725/- per month from 03.06.2024, refund of alleged excess amount of Rs.1,57,50,000/- with interest, and removal of charge over the schedule property, are wholly untenable, self-contradictory, and not maintainable in law or on facts. It is further stated that the interim relief seeking restraint against alienation and direction

to complete construction with all civic amenities is equally misconceived, particularly in the absence of any subsisting contractual relationship between the parties.

27. The Respondent Nos. 1 and 2 stated that the present complaint is an abuse of process of law, filed with suppression and distortion of material facts, and the Complainant has approached this Hon'ble Authority with unclean hands solely to harass and pressurize the Respondents to accede to illegal and untenable demands. It is submitted that all allegations, claims, and averments made in Complaint No.38/2025/TG RERA are false and baseless, and none of the contents therein shall be deemed admitted by reason of non-traverse.

28. The Respondent Nos. 1 and 2 stated that Respondent No.1 Company is engaged in real estate development and had entered into valid Development Agreements-cum-General Power of Attorney with Respondent Nos.3 to 9, being landowners of the subject property admeasuring 2500 square yards situated at Guttala Begumpet. It is further stated that pursuant thereto, the Respondent Company proceeded with development of the project "Ayyanna Prima" after obtaining necessary permissions and commenced construction in accordance with applicable laws.

29. The Respondent Nos. 1 and 2 stated that the Complainant, along with her husband, voluntarily approached the Respondents expressing interest to purchase a flat in the said project, and the transaction was initiated solely at her insistence under a pre-launch arrangement. It is submitted that payments were made voluntarily by the Complainant to book the flat at concessional rates, without any solicitation or inducement by the Respondents, and that the arrangement was entered only due to acquaintance and persistent insistence of the Complainant.

30. The Respondent Nos. 1 and 2 stated that upon further insistence by the Complainant for availing bank loan, an agreement was executed for facilitating such loan, despite the Respondents clearly informing that statutory approvals were still under process. It is submitted that subsequently a comprehensive Sale-cum-Development Agreement reflecting the true consideration was also executed between the parties, which has been deliberately suppressed by the Complainant, and reliance on the unregistered agreement is a clear misrepresentation of facts.

31. The Respondent Nos. 1 and 2 stated that the allegations regarding lack of authority, absence of supplementary agreements, and collection of amounts prior to permissions are

misconceived and contrary to record. It is submitted that the Complainant was fully aware that GHMC approvals were pending and that the construction timeline was subject to such approvals, as expressly recorded in the agreement itself, and that the Respondent Company has valid authority to develop and sell the flats by virtue of Development Agreement-cum-GPA executed by the landowners.

32. The Respondent Nos. 1 and 2 stated that the Complainant failed to adhere to the agreed payment schedule, thereby committing breach of contractual obligations, which constrained the Respondents to terminate the Sale-cum-Development Agreement dated 30.01.2021 in accordance with its terms. It is further submitted that such termination was duly communicated to the Complainant through email dated 14.09.2023, and despite having knowledge of the same, the Complainant mischievously issued notices seeking possession, which is legally untenable.

33. The Respondent Nos. 1 and 2 stated that despite receipt of termination, the Complainant has initiated multiple proceedings with mala fide intent to harass the Respondents and to coerce them into illegal demands. It is submitted that the conduct of the Complainant in suppressing material facts, misrepresenting the transaction, and pursuing vexatious litigation disentitles her from any equitable or statutory relief, and on this ground alone, the present complaint is liable to be dismissed in limine.

34. The Respondent Nos. 1 and 2 stated that the Complainant, by deliberately suppressing material facts and circumstances, has initiated criminal proceedings with mala fide intention against the answering Respondents, resulting in registration of FIR No.202 of 2024 on the file of Central Crime Station, Hyderabad; it is further stated that the said criminal action is vexatious, misconceived, and instituted solely to harass and coerce the Respondents into yielding to untenable demands, and that being aggrieved by such unlawful initiation, the Respondent No.1 has approached the Hon'ble High Court for the State of Telangana by invoking its inherent jurisdiction under Section 528 of the Bharatiya Nyaya Sanhita, 2023, seeking quashing of the aforesaid FIR, and the said proceedings are presently sub judice.

35. The Respondent Nos. 1 and 2 stated that the Hon'ble High Court for the State of Telangana, upon being satisfied with the merits of the case, was pleased to grant interim orders staying all further proceedings in the impugned crime in FIR No.202 of 2024, and that the said interim protection continues to subsist as on date; it is further stated that, being aggrieved by the grant of such interim relief in favour of the answering Respondents, the Complainant, with a mala fide intention to harass and disrupt the functioning of the project, has instituted the

present Complaint before this Hon'ble Authority by deliberately suppressing the material fact of pendency and stay of criminal proceedings, and it is also submitted that the Complainant had earlier caused issuance of a legal notice dated 05.11.2024, to which the answering Respondents duly issued a detailed reply notice dated 21.11.2024, thereby demonstrating that the present proceedings are nothing but a continuation of vexatious litigation.

36. Further, the Respondent Nos. 1 and 2 stated that Maintainability of the Present complaint, in view of the facts and circumstances set out hereinabove, the present Complaint is not maintainable either in law or on facts and is liable to be dismissed in limine; it is further stated that the Complainant, having already invoked multiple remedies including initiation of criminal proceedings and issuance of legal notices, has indulged in impermissible forum shopping, which is contrary to settled principles of law and amounts to abuse of process of law; it is also submitted that the Sale-cum-Development Agreement dated 30.01.2021 having been validly terminated in accordance with the terms thereof and in consonance with Section 11(5) of the Real Estate (Regulation and Development) Act, 2016, no cause of action survives for invoking the jurisdiction of this Hon'ble Authority under the said Act.

37. the Complainant has failed to discharge her reciprocal contractual obligations, particularly the obligation to make timely payments as mandated under Section 19(6) of the Act, and therefore cannot seek enforcement of alleged rights arising out of the said agreement; it is further stated that the Complaint is devoid of any specific pleadings as to the precise provisions of the Act alleged to have been violated, and the allegations are vague, omnibus, and lacking in material particulars, thereby rendering the Complaint legally untenable; it is a settled proposition that only an allottee who is in due compliance of contractual obligations can claim relief for alleged default of the promoter, and in the absence of such compliance, no enforceable cause of action accrues.

38. The Respondent Nos. 1 and 2 stated that a prima facie consideration of the material on record clearly establishes non-performance and breach on the part of the Complainant, and the present proceedings are instituted with an intent to misrepresent and frustrate the contractual framework; it is further stated that the Complaint is founded upon a purported sale agreement while deliberately suppressing the true and binding Sale-cum-Development Agreement, thereby misleading this Hon'ble Authority; moreover, the prayers sought are self-contradictory, inasmuch as the Complainant alleges lack of authority on the part of the Respondents to sell the subject property, while simultaneously seeking execution of sale deed

in her favour, which itself demonstrates that the cause of action is illusory and unsustainable in law.

39. The Respondent Nos.1 and 2 stated that the contents are either matters of record or are false and are accordingly denied. While admitting acquaintance between the parties and the existence of the project, it is specifically denied that Respondent No.2 made any misrepresentation regarding ownership, control, or management of Respondent No.1 Company. It is asserted that the Company is duly incorporated and operates strictly in accordance with the provisions of the Companies Act, 2013, and that no assurances as alleged were ever extended to the Complainant.

40. The Respondent Nos.1 and 2 stated that the averments are misconceived and denied to the extent they allege inducement, misrepresentation, or fraudulent conduct. It is admitted that the Complainant was informed about the status of permissions; however, it is denied that any coercion or undue influence was exercised. The Respondents reiterate that the transaction was initiated solely at the insistence of the Complainant for pre-launch allotment and that all payments were voluntarily made by the Complainant for the purpose of blocking the flat.

41. The Respondent Nos.1 and 2 stated that the contents are denied as false and contrary to the actual arrangement between the parties. It is submitted that two agreements were executed only upon the insistence of the Complainant for facilitating bank loan purposes, and the comprehensive Sale-cum-Development Agreement reflects the true consideration of Rs.4.5 Crores. Any allegation that the Respondents misrepresented the consideration or concealed material facts is specifically denied.

42. The Respondent Nos.1 and 2 stated that the averments are either matters of record or are denied insofar as they attribute fault to the Respondents. It is reiterated that the Complainant was fully aware of the status of permissions, which was expressly recorded in the agreement. The allegation that the Respondents avoided registration or acted in violation of statutory provisions is denied, and it is contended that all actions were in accordance with the contractual terms and prevailing law. It is specifically asserted that the agreed sale consideration was Rs.4.5 Crores and not Rs.2.25 Crores as alleged. The Respondents acknowledge receipt of certain payments but contend that the Complainant failed to adhere to the agreed payment schedule, thereby committing breach of contractual obligations, which necessitated termination of the agreement.

43. The Respondent Nos.1 and 2 stated that the averments are either admitted to the extent they are borne out of record or otherwise denied. It is submitted that the termination of the agreement was duly communicated through email dated 14.09.2023 to the registered email address of the Complainant. The Respondents further assert that despite repeated requests, the Complainant failed to provide bank details for refund, and hence no liability can be attributed to the Respondents.

44. The Respondent Nos.1 and 2 stated that the contents are denied except to the extent admitted. It is submitted that upon lawful termination of the agreement, no subsisting right remained with the Complainant over the subject property. Consequently, any charge created or subsequent dealings with the property were undertaken in the ordinary course of business and cannot be construed as illegal or mala fide.

45. The Respondent Nos.1 and 2 stated that the averments are false and are denied in toto. It is contended that the termination of the agreement was in accordance with contractual terms and not with any ulterior motive. The allegations of fraud, cheating, or criminal breach of trust are baseless. It is further submitted that the construction progressed in accordance with sanctioned permissions and any delay or modification arose due to regulatory constraints beyond the control of the Respondents.

46. The Respondent Nos.1 and 2 stated that the contents are denied as frivolous and untenable. It is specifically denied that the Respondents engaged in multiple sale transactions or induced other purchasers. It is clarified that only limited transactions were undertaken, and the Complainant's allegations are speculative. Further, the attempt to implicate other Respondents is misconceived and legally unsustainable, as their role is limited to that of landowners under the Development Agreement.

47. The Respondent Nos.1 and 2 stated that the averments are either denied or stated to be formal in nature requiring no specific reply. It is reiterated that the Complainant has suppressed material facts, including initiation of criminal proceedings and pendency thereof, and has approached this Authority with unclean hands. In view of the foregoing facts and circumstances, it is submitted that the Complainant is not entitled to any of the reliefs sought and the present complaint is liable to be dismissed in limine.

D. Counter filed by Respondents No. 3 to 9:

48. The land owners, i.e., Respondent Nos. 3 to 9, through their General Power of Attorney holder, filed a counter in response. They submitted that they are filing the present counter only to the limited extent of the allegation that they are jointly and severally liable for implementation of the alleged Agreement of Sale entered into by Respondent No. 1 with the Complainant. While the Complaint seeks various reliefs sale deed execution, possession, refund with interest, removal of charges, and interim injunction they deny participation in the sale transaction and clarify their limited involvement through the Development Agreement cum General Power of Attorney (DAGPA) entered with Respondent No. 1.

49. Each Respondent Nos. 3 through 9 separately executed Development Agreements (Doc. Nos. 4416/2019, 4113, 8011, 4695, 4694, and 7463/2019) with Respondent No. 1 over respective parcels ranging from 250 to 500 sq yards, collectively forming the 2,500 sq yard project. They affirm that their obligations are strictly confined to the DAGPA and assert they are not parties to the Sale-cum-Development Agreement executed on 30.01.2021 between the Complainant and Respondent No. 1 for Flat No. 801, which had a total consideration of ₹4.5 crores. The Complainant also separately executed an unregistered agreement for ₹2.25 crores to facilitate bank financing an arrangement understood to be non-enforceable and made at her insistence.

50. The Respondents No. 3 to 9 explains that the Complainant approached Respondent No. 2 (Managing Director of Respondent No. 1) through a personal connection to book the flat in advance at a pre-launch price and subsequently made payments amounting to approximately ₹3.82 crores. However, when she failed to satisfy contractual payment milestones, Respondent No. 1 terminated the agreement as allowed under Section 11(5) of the RERA Act, via email dated 14.09.2023.

51. Despite this termination, the Complainant pursued civil and RERA proceedings, including a criminal complaint (FIR No. 202/2024) alleging fraud and breach of trust under Sections 403, 406, and 420 IPC. These criminal proceedings are subject to a stay granted by the Telangana High Court under Section 528 of the Bharatiya Nyaya Sanhitha, 2023. The landowners point out that they received legal notice dated 05.11.2024 concerning the claim, which was duly responded to on 21.11.2024 by Respondent No. 1.

52. The landowners insist that their legal liability is limited to the DAGPA and that they bear no obligations under the separate Sale-cum-Development Agreement with the Complainant. They reject any notion of joint or several liability beyond the scope of the

DAGPA. They contend the Complainant has improperly implicated them merely to increase pressure on Respondents Nos. 1 and 2, in an effort to secure coercive relief. They argue the Complaint lacks specificity regarding which RERA provisions were violated. Instead of targeted allegations, it relies on vague and omnibus statements. Further, they emphasize that the correct forum to address these disputes is the civil court, not the RERA Authority, since the Complainant failed to fulfill contractual payment obligations under Section 19(6) of the RERA Act.

53. The Respondents No. 3 to 9 denies that Flat No. 801 is subject to any litigation beyond the present RERA dispute; they deny any wrongdoing or inadequate authority. They underscore that the allocations under the DAGPA have been completed, with Flat No. 801 falling in Respondent No. 1's share, affirming its legal right to effect sale of the property. Contending that DAGPA does not confer joint liability, they argue that mere existence of a shared development pact does not make them liable for disputes under a separate sale agreement executed by Respondent No. 1 and the Complainant.

54. The Respondents No. 3 to 9 oppose the Complainant's interim prayers and final reliefs, calling the Complaint inadmissible in law and fact and seeking its dismissal in limine. They emphasize that no enforceable claim lies against them, and urge the Authority to refuse imposition of any obligations or liability on Respondents Nos. 3 to 9, while rejecting all reliefs sought by the Complainant.

E. Counter filed by Respondent No.10

55. The Respondent No.10 submitted that it has been unnecessarily impleaded in the present proceedings and is constrained to file the present counter to place the true and material facts before this Hon'ble Authority. It is stated that the case of the Complainant pertains to an Agreement of Sale dated 30.01.2020 entered with Respondent No.1 for purchase of Flat No.801 in the project "Ayyanna Prima" for a sale consideration of Rs.2.25 Crores along with alleged additional payments towards add-ons, and the reliefs sought are against Respondent Nos.1 and 2 including registration of sale deed, payment of rent, refund of alleged excess amount, and removal of charge. It is further submitted that the Complainant is liable to bear the costs incurred by this Respondent Bank in defending the present proceedings.

56. The Respondent No.10 stated that all the allegations made in the complaint are denied except those specifically admitted, and the Complainant is put to strict proof of each and every

avertment. It is further submitted that there is no privity of contract between the Complainant and Respondent No.10 Bank, and no relief is maintainable against it, as the entire transaction pertains solely between the Complainant and Respondent Nos.1 and 2, thereby rendering the complaint liable to be dismissed against Respondent No.10 with exemplary costs.

57. The Respondent No.10 submitted that Respondent No.1 Company had availed a loan of Rs.7.00 Crores from the Bank by creating a valid and subsisting equitable mortgage through Memorandum of Deposit of Title Deeds dated 31.10.2023, registered as Document No.17170/2023, over various flats including Flat No.801 and other portions of the project. It is asserted that the Bank holds a lawful and enforceable charge over the said properties and is entitled to exercise its rights as a secured creditor until full repayment of the loan.

58. The Respondent No.10 stated that the Complainant has no valid or subsisting right, title, or interest over the subject property in view of the cancellation of the Agreement of Sale by Respondent No.1 on account of alleged payment defaults, and therefore lacks locus standi to maintain the present proceedings against the Bank. It is further contended that the dispute is purely civil in nature involving complex questions of fact and law, for which the appropriate remedy lies before a competent Civil Court by way of a suit for specific performance, and not before this Authority.

59. Further, The Respondent No.10 submitted that it has no knowledge whatsoever regarding the alleged transactions, payments, inducements, representations, or agreements entered into between the Complainant and Respondent Nos.1 and 2, including allegations relating to payments of Rs.3.45 Crores or execution of Agreement of Sale, and the same are denied for want of proof. It is reiterated that the Bank is not concerned with or responsible for any such dealings inter se the parties. The allegations relating to execution, contents, payments, add-ons, communications, permissions, cancellation of Agreement of Sale, and other contractual aspects are matters exclusively between the Complainant and Respondent Nos.1 to 9, and the Bank has neither any role nor any involvement in the same. All such allegations are denied, and the Complainant is put to strict proof thereof.

60. It is admitted that Respondent No.1 availed the loan facility by creating a registered charge over the subject property, and such act does not amount to any violation of law. It is further stated that the Agreement of Sale relied upon by the Complainant had already been cancelled prior to creation of mortgage, and therefore the allegations of fraud or illegality in

availing the loan are baseless, vexatious, and devoid of merit. The Bank acted in accordance with law and after due compliance of necessary formalities.

61. The Respondent No.10 stated that there is no cause of action against it, and the complaint is bad for misjoinder of parties, lack of jurisdiction, and limitation, apart from being frivolous and vexatious. It is therefore prayed that this Hon'ble Authority may be pleased to dismiss the complaint as against Respondent No.10 with exemplary costs and pass such other order as deemed fit in the interest of justice.

F. Rejoinder filed by Complainant to the counter filed by Respondent Nos. 1 and 2

62. The Complainant has filed a detailed rejoinder affidavit in response to the counter filed by Respondents Nos. 1 and 2, wherein she has categorically denied all allegations made against her and reaffirmed the factual basis and legality of her claims under the RERA framework. She submits that the Agreement of Sale executed on 30.01.2021 by Respondent No. 1 in her favour, pertaining to Flat No. 801, was done at a time when Respondent No. 1 did not possess any right, title, or authority over the said flat. The flat had not been demarcated or allotted to Respondent No. 1 under the terms of the Development Agreement cum General Power of Attorney or the subsequent Supplementary Agreement dated 18.09.2021. In light of this, the Complainant contends that the very sale of Flat No. 801 was void ab initio and executed without legal authority.

63. The Complainant further submits that the version projected by Respondents No. 1 and 2 suggesting that the booking was a “pre-launch” initiative made at her own instance—is a fabrication and an afterthought aimed at evading accountability. She asserts that no documentary evidence has been placed on record to support the claim that she had initiated the purchase or requested a pre-launch offer. To the contrary, the Complainant has stated that she made a substantial payment of ₹2 crores even before the formal execution of the agreement, purely on the representations and inducements of Respondent No. 1. These payments were made in good faith, relying on Respondent No. 1's assurances regarding the flat, which were later discovered to be misleading and devoid of legal sanction.

64. It is the specific grievance of the Complainant that Respondent No. 1 deliberately suppressed material information from her, particularly the fact that it had not obtained construction permission from the GHMC for the project. The Complainant asserts that this suppression of facts, coupled with the acceptance of funds, amounts to gross misconduct and

stands in violation of the disclosure and transparency mandates under the RERA Act. Furthermore, she refutes the contention that the sale consideration was ₹4.50 crores. According to her, the agreed sale consideration was ₹2.25 crores as per the written terms. The amount of ₹4.50 crores was mentioned only tentatively to reflect an optional set of add-ons, which were not finalised or agreed upon, and were subject to future mutual consent.

65. The Complainant has pointed out that the construction of the project has not been completed as per the agreed time frame, which was thirty months from the date of obtaining the GHMC construction permission. No plausible explanation has been offered for the delay, and the Complainant submits that she is entitled to compensation for delayed possession in accordance with Clause 27 of the agreement, which provides for payment of rent at the rate of ₹5 per square foot per month. In addition to this, the Complainant asserts that she has already paid a total of ₹3.45 crores to Respondent No. 1 by 10.01.2023, which is in excess of the actual agreed sale price. She submits that this excess payment further negates the false charge of non-compliance with milestone payments, as alleged by Respondent No. 1.

66. A key contention raised by the Complainant is the unlawful and unilateral cancellation of the Agreement of Sale by Respondent No. 1. She has averred that the cancellation was done in violation of the mandatory procedure laid down under Section 11(5) of the RERA Act. The notice of cancellation was not served upon her but was instead sent to an unregistered email ID belonging to her husband, which cannot be considered valid service. Additionally, Respondent No. 1 has failed to provide any proof of non-payment or breach by the Complainant. The Complainant has categorically stated that such unlawful termination, combined with the misleading conduct of the Respondents, amounts to criminal breach of trust and fraud.

67. Moreover, the Complainant has raised serious allegations regarding financial misconduct by Respondents No. 1 and 2 in collusion with Respondent No. 10, a financial institution. She has brought to light that a loan of ₹7 crores was sanctioned for the project even though construction had not reached a viable stage. The Complainant alleges that these funds were diverted and misused, thereby establishing a fraudulent nexus between the developer and the financier. She draws attention to similar instances in other states, including Delhi and Uttar Pradesh, where the CBI has investigated such fraudulent transactions in the real estate sector.

68. The Complainant also rebuts the developer's justification for project delay on the ground that GHMC had rejected construction approval for the 11th and 12th floors. She contends that this is a specious defence, as the developer had promised and committed to construct 12 floors,

knowing full well that permission might not be forthcoming. This amounts to deliberate misrepresentation and unfair trade practice. It is further brought on record that the Complainant has also pursued criminal proceedings against Respondents 1 and 2, and an FIR has been registered under Sections 403, 406, and 420 of the IPC. Although an interim stay has been obtained by Respondent No. 2 in CRLP No. 12123 of 2024 before the Hon'ble High Court, the Complainant states that the said petition was disposed of ex parte and she is confident that it will be vacated upon proper hearing.

69. In conclusion, the Complainant has denied all averments made by Respondents No. 1 and 2 which are inconsistent with her pleadings. She has reaffirmed her entitlement to the reliefs sought in the original complaint, including refund of monies paid with interest, damages for mental harassment and financial loss, and penalties against the Respondents for violation of their obligations under the RERA Act. The Complainant further prays for prosecution of the Respondents under Sections 59 and 60 of the Act and calls upon the Authority to disregard the evasive and misleading submissions of the Respondents, and to pass appropriate orders in accordance with law.

G. Additional Reply by Respondent No. 2

70. The Respondent No.1 entered into a Development Agreement-cum-General Power of Attorney with Respondent Nos.3 to 9 for an extent of 2,500 sq. yards, wherein, as per Clause 16, Respondent No.1 was authorized to sell flats only upon execution of a Supplementary Agreement specifying individual shares. The Complainant submitted that such Supplementary Agreement was executed only on 18.09.2021, whereas the Agreement of Sale dated 30.01.2021 was executed much prior thereto, thereby establishing that Flat No.801 was not allotted to the share of Respondent No.1 at the relevant time and consequently, Respondent No.1 lacked authority to enter into the said transaction.

71. The plea of Respondent No.1 that the transaction was a “pre-launch offer” made at the insistence of the Complainant is false and unsupported by any documentary evidence. It is further stated that Respondent No.1, despite receiving substantial payments amounting to Rs.2.00 Crores even prior to execution of the Agreement of Sale, failed to disclose the pendency of building permission before GHMC, thereby violating statutory obligations and acting in disregard of applicable regulatory provisions.

72. The agreed sale consideration for Flat No.801 is Rs.2.25 Crores as expressly recorded in the Agreement of Sale, and that the additional amount of Rs.2.25 Crores pertains only to proposed “add-ons” which were tentative and subject to mutual agreement. It is submitted that the Respondent’s contention that the total sale consideration is Rs.4.50 Crores is false, misleading, and advanced with ulterior motives for wrongful gain.

73. The Respondent No.2 had undertaken to complete the project within 30 months from the date of GHMC permission, which period is reasonable and sufficient as per civil construction standards. It is further stated that the Respondent failed to complete the project within the stipulated time and did not communicate any delay, thereby evidencing dishonest conduct. The Complainant asserted entitlement to delay compensation in the form of rent as per the terms of the Agreement.

74. The Respondent No.2 submits that the payments amounting to Rs.3.45 Crores as on 10.01.2023 are admitted by Respondent No.1, including Rs.2.00 Crores paid by 21.11.2020, thereby disproving the allegation of default. It is submitted that the Complainant has in fact paid amounts far exceeding the agreed sale consideration of Rs.2.25 Crores, and hence the allegation of non-adherence to payment terms is false and raised only to justify illegal cancellation of the Agreement of Sale.

75. The alleged cancellation of the Agreement of Sale is illegal, arbitrary, and contrary to law, as no valid notice was served upon the Complainant and no default on her part has been established. It is further stated that the Respondent deliberately addressed communications to the Complainant’s husband without authorization and failed to provide any proof of follow-ups or demand notices, thereby rendering the cancellation invalid and amounting to breach of trust. The conduct of Respondent Nos.1 and 2, including fraudulent cancellation of the Agreement, non-refund of amounts, misrepresentation regarding construction, and diversion of funds, establishes fraud and illegality. It is further submitted that even after availing bank finance, there is no progress in construction, and the Respondents have misled the Complainant regarding approvals and project execution. Therefore, the Complainant prayed that this Hon’ble Authority may allow the Complaint, grant the reliefs sought, impose exemplary costs and penalties, and pass such orders as deemed fit in the interest of justice and to safeguard the interests of home buyers.

H. Show cause Reply

76. The Respondent submits that the subject project, namely “Ayyanna Prima,” was duly registered with the Authority on 14.05.2021 vide Registration No. P02400002914, valid for a period extending up to 02.03.2027, thereby demonstrating compliance with statutory requirements.

77. The Respondent submits that the dispute emanates from a private and fiduciary arrangement between the parties, wherein the Complainant, by virtue of acquaintance, persuaded the Respondent to extend certain concessions, and the transaction was not in the nature of a commercial public offering. The execution of the Sale-cum-Development Agreement and Agreement of Sale was undertaken solely to facilitate the Complainant, including enabling loan arrangements, and the same were not intended as instruments of public sale or marketing.

78. It submits that no act attributable to it constitutes a violation of Sections 3(1) or 4(1) of the Act, as there was neither advertisement nor solicitation of the general public in respect of the subject transaction. In the present complaint is an afterthought, arising out of subsequent disputes between the parties, and is a misuse of the statutory framework under the Act to project a private dispute as a regulatory violation.

79. Accordingly, Section 3(1) of the RE(R&D) Act, is attracted only in cases involving public advertisement, marketing, or sale without registration, whereas the present transaction was a singular, private arrangement with a known individual and thus falls outside its ambit and also the Section 4(1) of the RE(R&D) Act has been duly complied with, as the project stands registered with the Authority, and therefore, invocation of the said provision is legally untenable.

80. The Respondent submits that the issuance of the Show Cause Notice is beyond the scope of the original complaint, which was confined to cancellation of the Agreement of Sale, and did not allege any violation of Sections 3(1) or 4(1) of the RE(R&D) Act, thereby rendering the present proceedings without jurisdiction. Further, it is submits that it has at all times acted in conformity with the provisions of the Act and has neither willfully nor otherwise contravened any statutory mandate, and therefore prays that the Show Cause Notice be withdrawn and the proceedings be dropped in the interest of justice.

I. Interim order:

81. The Authority have directed the interim order dated: 01.04.2025 that the alleged unilateral cancellation of Agreements of Sale dated 30.01.2021 in respect of Flat No.801 in the project “Ayyanna Prima,” notwithstanding the Complainant’s assertion of having paid the entire sale consideration; the Respondents, while disputing such payment and seeking to justify the cancellation, have failed to demonstrate valid termination in accordance with law, and in view of the prima facie subsistence of the Agreements coupled with the likelihood of creation of third-party interests, this Authority has deemed it appropriate, pending adjudication, to grant limited interim protection by restraining alienation or encumbrance of the subject property and directing maintenance of status quo.

J. Points for consideration:

82. Based on the above facts and circumstances, the following questions arise before this Authority for determination:

- I. Whether the Complaint is maintainable under the provisions of the RE(R&D) Act, 2016?
- II. Whether the Respondent has violated the provisions of RE (R&D) Act, 2016?
- III. Whether the Complainant is entitled to the relief(s) as prayed for? If yes, to what extent?

K. Observation of the Authority:

83. The Authority has carefully perused the entire material on record, including the Complaint, Counter affidavits filed by Respondent Nos.1 to 10, Rejoinder filed by the Complainant, Reply to Show Cause Notice, documents annexed by the parties (including the Agreement of Sale dated 30.01.2021, Sale-cum-Development Agreement dated 30.01.2021, payment receipts/statement acknowledging payments up to Rs.3,45,00,000/- as on 10.01.2023 and further payments thereafter aggregating to Rs.3,82,50,000/-, Development Agreement-cum-GPA, Supplementary Development Agreements dated 18.09.2021, GHMC permissions, Memorandum of Deposit of Title Deeds dated 31.10.2023 registered as Document No.17170/2023, alleged cancellation email dated 14.09.2023, legal notices and replies, RERA Registration Certificate No.P02400002914 dated 14.05.2021, and the Interim Order dated 01.04.2025), and has heard the detailed submissions of the learned counsels for the respective parties. The Authority now proceeds to record its observations and findings on the points for determination framed at para 82 supra

Point no.1: Whether the Complaint is maintainable under the provisions of the Real Estate (Regulation & Development) Act, 2016?

84. The first point for consideration is whether the present Complaint is maintainable under the provisions of the Real Estate (Regulation and Development) Act, 2016 Respondent Nos. 1 and 2 have raised the following specific preliminary objections to the maintainability of this Complaint: (i) that the transaction was a private arrangement between known individuals and does not attract the provisions of the RE(R&D) Act since no public advertisement or solicitation was made; (ii) that the Complainant has engaged in forum shopping by pursuing criminal proceedings, issuing multiple legal notices, and simultaneously invoking RERA jurisdiction; (iii) that the Agreement of Sale/Sale-cum-Development Agreement was validly cancelled under Section 11(5) of the RE(R&D) Act on account of payment default by the Complainant under Section 19(6), and therefore no subsisting agreement exists to found a cause of action before this Authority; (iv) that the complaint lacks specific averments as to which provisions of the RE(R&D) Act have been violated and is vague and omnibus in nature; (v) that the Complainant herself, not being in compliance with her reciprocal obligations under the agreement, has no cause of action before this Authority; and (vi) that there is an internal contradiction in the complaint inasmuch as the Complainant simultaneously contends that Respondent No. 1 had no authority to sell Flat No. 801 and yet seeks execution of a sale deed in her favour. This Authority shall address each of these objections in turn.

85. As regards the first objection, that the transaction was a private arrangement not attracting the Act this Authority is unpersuaded. The RE(R&D) Act does not carve out any exception for transactions effected through personal or family connections, or for so-called “pre-launch” arrangements. The applicability of the RE(R&D) Act is determined by the nature of the subject matter, not by the mode of approach of the parties. Section 2(zk) of the RE(R&D) Act defines a “real estate project” broadly to encompass any development involving construction of a building or apartment for the purpose of selling any apartment therein. The project “Ayyanna Prima” bearing Registration No. P02400002914, registered on 14.05.2021 and valid up to 02.03.2027, is unquestionably a registered real estate project under the RE(R&D) Act. Once a project is registered under the RE(R&D) Act, every transaction relating to any unit/plot in that project whether approached through the public or through personal channels is squarely governed by the RE(R&D) Act and falls within the jurisdiction of this Authority. Any other interpretation would create an impermissible loophole, enabling promoters to evade statutory obligations simply by characterising their transactions as “private” or “pre-launch” dealings.

Such an interpretation would directly undermine the legislative intent of the RE(R&D) Act, which is to protect the interests of all allottees.

86. As regards the second objection, that the Complainant has indulged in forum shopping by pursuing criminal proceedings and issuing legal notices simultaneously with this complaint this Authority notes that the RE(R&D) Act is a special legislation enacted to provide a dedicated and concurrent statutory remedy to allottees. Section 31 of the RE(R&D) Act specifically confers jurisdiction upon the Authority to entertain complaints filed by any aggrieved allottee. The pursuit of parallel legal remedies, including criminal complaints under the Indian Penal Code/Bharatiya Nyaya Sanhita, does not divest this Authority of its statutory jurisdiction, nor does it bar the filing of a complaint under the RE(R&D) Act. The Complainant's recourse to criminal law relates to an alleged offence of cheating and breach of trust, which is a distinct cause of action from her civil entitlements as an allottee under RE(R&D). Section 88 of the RE(R&D) Act, specifically states that the RE(R&D) Act provisions shall be in addition to and not in derogation of, the provisions of any other law. The doctrine of forum shopping implies simultaneous pursuit of the same cause of action before multiple fora for the same relief, it does not prohibit a party from exercising different statutory and criminal remedies. This objection is accordingly not tenable.

87. As regards the third objection, that the Agreement of Sale was validly cancelled under Section 11(5) of the RE(R&D) Act for non-payment under Section 19(6), and therefore no subsisting agreement exists this Authority finds that this contention goes to the merits of the dispute rather than to the question of maintainability. The Complainant has specifically disputed the validity of the purported cancellation on the grounds that (a) no valid notice was served on her; (b) she had in fact paid an amount exceeding the agreed total sale consideration; and (c) the cancellation was effected to facilitate a fraudulent mortgage. Whether the cancellation was valid or otherwise is a matter that falls squarely within the jurisdiction of this Authority under Section 31 of the RE(R&D) Act, and cannot be treated as a threshold maintainability bar. A respondent-promoter cannot claim immunity from RERA proceedings by the simple expedient of unilaterally cancelling an agreement and then contending that no cause of action survives. If such a plea were to be accepted, every promoter could extinguish an allottee's RERA remedy merely by issuing a cancellation notice. Such an absurd consequence cannot be countenanced. The legality of the cancellation shall be examined on merits under Point No. II. This objection is accordingly rejected at the threshold.

88. As regards the fourth objection that the complaint is vague and omnibus in its averments and does not identify specific provisions of the RE(R&D) Act that have been violated, a reading of the complaint in its entirety reveals that the Complainant has made specific averments relating to, collection of advances prior to registration of the project, execution of an agreement without having authority over the flat, failure to obtain GHMC approvals and concealment thereof, non-completion of construction within the agreed period, unilateral cancellation of the agreement without valid notice, and creation of a mortgage over the subject flat without consent. These are cognisable violations under the RE(R&D) Act, and the mere fact that the specific Section numbers are not always cited in the complaint does not render it legally deficient. This Authority, as a quasi-judicial body vested with protective jurisdiction over allottees, is obligated to examine the substance of the grievance, not its form. The fifth objection, that the Complainant herself was in default and therefore has no cause of action, is also a matter going to the merits of the dispute and not to maintainability. Whether the Complainant defaulted in payments is a contested factual question which must be decided after examination of the evidence on record. This objection is rejected at this stage.

89. As regards the sixth objection, that there is an inherent contradiction in the complaint inasmuch as the Complainant asserts that Respondent No. 1 had no authority to sell Flat No. 801 at the time of the Agreement of Sale (30.01.2021), and yet simultaneously seeks a direction to register the sale deed, this Authority finds that this objection is misconceived. The Complainant's averment regarding absence of authority at the time of the agreement is not a concession that she does not want the flat, it is a pleading advanced to establish misrepresentation by Respondent No. 1. The relief sought, registration of the sale deed is premised on the fact that Respondent No. 1 subsequently obtained the authority (via Supplementary Agreement dated 18.09.2021) and that the Complainant is entitled to performance of the agreement after such authority was regularised. The two averments operate at different points in time and do not constitute a contradiction. A party aggrieved by a promoter's misrepresentation at the inception of a contract is not estopped from seeking specific performance of that contract where the promoter has since acquired the requisite title and authority. No internal inconsistency vitiates the complaint.

90. Respondent No. 10, State Bank of India, has contended that the present dispute is purely civil in nature, that this Authority lacks jurisdiction to entertain the same, and that the Complaint suffers from misjoinder of parties. At the outset, this contention is devoid of merit.

As already noted, Section 31 of the Real Estate (Regulation and Development) Act, 2016 confers jurisdiction upon this Authority to entertain complaints filed by allottees against promoters in respect of violations of the provisions of the Act or the Rules and Regulations made thereunder. In the present case, the Complainant has specifically alleged that the mortgage created over Flat No. 801 is in contravention of Section 11(4)(h) of the RE(R&D) Act, and has sought, inter alia, removal of the said encumbrance. In such circumstances, the presence of Respondent No. 10, the lending bank in whose favour the alleged mortgage has been created is essential for the effective and complete adjudication of the issues involved. Accordingly, this Authority holds that Respondent No. 10 is a necessary and proper party to the proceedings. The objection raised by the said Respondent regarding lack of jurisdiction and misjoinder of parties is therefore rejected and stands overruled.

Point No.II: Whether the Respondent has violated the provisions of the RE(R&D) Act, 2016?

91. Upon a careful consideration of the material available on record, this Authority proceeds to examine whether the conduct of the Respondents is in conformity with the statutory mandate of the Real Estate (Regulation and Development) Act, 2016.

92. At the outset, it is not in dispute that the Complainant had paid an amount of Rs. 25,00,000/- on 30.08.2020, followed by Rs. 1,00,00,000/- on 08.09.2020, and a further sum of Rs. 75,00,000/- during the period between 09.10.2020 and 21.11.2020, thereby aggregating to Rs. 2,00,00,000/- by November, 2020. It is equally undisputed that the subject project came to be registered with this Authority only on 14.05.2021.

93. This sequence of events assumes critical significance. Section 3(1) of the RE(R&D) Act unequivocally mandates that no promoter shall advertise, market, book, sell, or invite persons to purchase any apartment or plot in a real estate project without prior registration of the project with the Authority. The provision is couched in prohibitory terms and admits of no exception. The legislative intent is clear to ensure regulatory oversight before any form of public dealing or financial transaction is undertaken in respect of a real estate project.

94. In the present case, Respondent No. 1, much prior to obtaining registration, not only invited the Complainant to purchase the subject flat but also proceeded to collect substantial amounts aggregating to Rs. 2,00,00,000/-. Such conduct is in the teeth of Section 3(1) of the RE(R&D) Act and constitutes a clear and unequivocal violation thereof. The magnitude of the

amount collected, and the stage at which it was received, further aggravates the infraction, demonstrating a conscious disregard for statutory compliance.

95. The position is further compounded by the contents of the Agreement of Sale dated 30.01.2021, which itself records that the requisite building permission from GHMC was still pending as on the date of its execution. Notwithstanding the absence of such statutory approvals, the Respondent had already commenced collection of advances from as early as August, 2020. This conduct reflects a premature and unauthorized commercialization of the project, undertaken without the foundational approvals mandated under law. A promoter, irrespective of its capacity or interest in the project, is statutorily restrained from inviting or accepting investments in the absence of registration and requisite approvals. The actions of the Respondent, therefore, strike at the very root of the regulatory framework envisaged under the RE(R&D) Act.

96. Further, Section 13 of the RE(R&D) Act imposes a specific restriction on the promoter from accepting more than ten percent of the cost of the apartment as advance or deposit without first entering into a written Agreement for Sale and registering the same. In the present case, the Respondent accepted an amount of Rs. 2,00,00,000/-, which constitutes approximately 89% of the total sale consideration of Rs. 2,25,00,000/-, prior to the execution and registration of the Agreement of Sale. Such acceptance of funds is in flagrant violation of Section 13 of the RE(R&D) Act.

97. The breach is not merely technical but substantive in nature. The provision is designed to safeguard the interests of allottees by ensuring that their financial exposure is limited until a formal, enforceable, and registered agreement crystallizes the rights and obligations of the parties. By collecting an overwhelming portion of the sale consideration in advance, the Respondent has effectively rendered this statutory safeguard otiose.

98. Further, Section 11(4)(h) of the RE (R&D) Act, 2016 places an express embargo upon the promoter from creating any mortgage or charge over an apartment or project, after execution of an Agreement for Sale in favour of an allottee. In the present case, it is borne out from the record that Respondent No. 1, by way of a Memorandum of Deposit of Title Deeds registered as Document No. 17170/2023 dated 31.10.2023, created an equitable mortgage over multiple flats, including Flat No. 801, in favour of Respondent No. 10, State Bank of India, for availing a loan of Rs. 7,00,00,000/-, without the knowledge or consent of the Complainant.

99. The sequence of events assumes significant importance. The Agreement of Sale was executed on 30.01.2021 and substantial consideration had already been received by the Respondent. Thereafter, Respondent No. 1 purported to cancel the allotment by way of an email dated 14.09.2023 alleging non-compliance with payment terms. However, within a short span of time, i.e., on 31.10.2023, the Respondent proceeded to create the subject mortgage over Flat No. 801 along with other units. Significantly, the record further discloses that even subsequent to such alleged cancellation, the Respondent addressed a communication dated 25.04.2024 to the Complainant, which indicates that the Respondent itself continued to acknowledge the subsisting status of the Complainant in respect of the subject flat. This conduct is wholly inconsistent with the stand that the allotment stood validly and conclusively terminated.

100. In light of the above sequence, this Authority is unable to accept the purported cancellation as a bona fide exercise of contractual rights. On the contrary, the timing and surrounding circumstances strongly suggest that the said cancellation was orchestrated as a device to facilitate the creation of a mortgage, thereby defeating the rights of the Complainant.

101. Respondent No. 10 Bank has sought to justify its position by contending that it is a bona fide mortgagee and that the mortgage was created subsequent to the cancellation of the Agreement of Sale. However, such a defence cannot be accepted in a routine or mechanical manner. A financial institution of the stature, experience, and institutional capacity of the State Bank of India is expected to undertake comprehensive due diligence prior to accepting immovable property as security.

102. The subject project being a registered project under the RE (R&D) Act, any reasonable inquiry, including verification of QPRS's, would have disclosed the existence of an allotment and Agreement of Sale in favour of the Complainant. The Bank, therefore, cannot be heard to contend that it was unaware of the subsisting rights of the allottees. The plea of bona fide mortgage, in the absence of demonstrable due diligence, cannot be sustained.

103. Even otherwise, the statutory mandate under Section 11(4)(h) operates independently of the knowledge or lack thereof on the part of the mortgagee. Any mortgage created in contravention of the said provision is inherently defective qua the rights of the allottee and cannot prejudice or override such rights. The promoter cannot, by unilateral acts or engineered transactions, dilute the statutory protection afforded to the allottee.

104. It is also pertinent to note that even if the Respondent promoter had failed to duly update the quarterly progress reports on the RERA portal, such omission cannot enure to the benefit of the Bank. The obligation to undertake due diligence is squarely cast upon the lending institution. The Bank is expected to verify not only the title documents but also the statutory compliances and encumbrance status of the project, particularly when dealing with a RERA-registered development.

105. In such circumstances, this Authority is of the considered view that both the conduct of the promoter in creating the mortgage and the acceptance of such mortgage by the Bank suffer from serious legal infirmities. The Bank, having failed to exercise the degree of diligence expected of it, cannot absolve itself of responsibility, nor can it claim superior rights over the allottee in derogation of the statutory protections enshrined under the RE(R&D) Act.

106. In view of the foregoing, this Authority has no hesitation in holding that Respondent No. 1 has committed clear and multiple violations of the provisions of the RE (R&D) Act, 2016, particularly Sections 3(1) and 13, and 11. The conduct of the Respondent reflects a patent disregard for the mandatory provisions of the RE(R&D) Act.

Point No .III: Whether the Complainant is entitled to the relief(s) as prayed for? If yes, to what extent?

a. Registration of Sale Deed / Handing Over of Possession:

107. The Complainant has sought a direction against Respondent Nos. 1 and 2 to execute and register a Sale Deed in respect of Flat No. 801, together with three car parking spaces and an undivided share of land admeasuring 105 sq. yds., in terms of the Agreement of Sale dated 30.01.2021, for a total sale consideration of Rs. 2,25,00,000/-.

108. At the outset, this Authority is required to examine whether the Agreement of Sale dated 30.01.2021 subsists and is enforceable. In this regard, the Respondent has sought to rely upon a purported unilateral cancellation dated 14.09.2023. The validity of such cancellation must therefore be tested in light of the factual matrix and the statutory framework.

109. It is an admitted position that the Agreement of Sale was executed on 30.01.2021 and that substantial consideration had already been received by the Respondent. Thereafter, Respondent No. 1 purported to cancel the allotment by way of an email dated 14.09.2023 alleging non-compliance with payment terms. However, within a short span of time, i.e., on

31.10.2023, the Respondent proceeded to create a mortgage over Flat No. 801 along with other units.

110. Significantly, the record further discloses that even subsequent to such alleged cancellation, the Respondent addressed a communication dated 25.04.2024 to the Complainant, which clearly indicates that the Respondent continued to acknowledge the subsisting status of the Complainant in respect of the subject flat. Such conduct is wholly inconsistent with the plea that the allotment stood validly and conclusively terminated.

111. This Authority further notes that under the Agreement of Sale dated 30.01.2021, the total sale consideration for the flat was fixed at Rs. 2,25,00,000/-. It is borne out from the record that the Complainant has already paid amounts far exceeding the said consideration. Even if the additional arrangements relating to add-ons and subsequent construction, aggregating to a larger estimated consideration, are taken into account, the Complainant has admittedly paid a sum of Rs. 3,45,00,000/-, which constitutes more than 80% of the overall financial commitment.

112. In such circumstances, the Respondent, having received the entire consideration towards the flat, could not have resorted to cancellation of the allotment. At best, any alleged delay in payment towards add-on components could have been addressed in accordance with the contractual terms governing such additional works, but the same could not form the basis for cancellation of the core allotment of the unit itself.

113. Further, Clause 4 of the Agreement of Sale provides that cancellation may be effected in the event of failure by the allottee to adhere to the payment schedule. However, such a clause cannot be invoked in isolation or arbitrarily. Section 11(5) of the RE (R&D) Act mandates that cancellation of allotment must be strictly in accordance with the terms of the agreement, which necessarily implies adherence to principles of natural justice, including issuance of prior notices and affording reasonable opportunity to the allottee.

114. In the present case, there is nothing on record to demonstrate that the Respondent issued any demand notices, reminders, or pre-cancellation notices to the Complainant in respect of alleged defaults in milestone payments. On the contrary, the Respondent has not placed any material to show that construction had progressed to stages warranting such payments.

115. It is also pertinent to note that as per the Agreement of Sale, possession was to be delivered within 30 months from the date of obtaining GHMC permission. Even assuming such

period is computed from the date of grant of permission, the project has not been completed within the stipulated timeframe. The Respondent has itself admitted that construction has been stalled since October 2023 and that approvals for upper floors remain pending. Flat No. 801 continues to remain incomplete despite substantial payments made by the Complainant.

116. In such a situation, where the promoter itself is in delay and has failed to complete construction within the agreed period, it does not lie in the mouth of the Respondent to attribute default to the Complainant and proceed with unilateral cancellation. The conduct of the Respondent, in effecting cancellation without notice, without demand, and in the face of its own default, is arbitrary, unjustified, and contrary to both the contractual terms and statutory mandate.

117. Viewed in totality, the sequence of events execution of Agreement, receipt of substantial consideration, sudden unilateral cancellation, followed immediately by creation of mortgage clearly indicates that the purported cancellation was not a bona fide exercise of contractual rights, but a premeditated device adopted to facilitate encumbrance of the subject property.

118. Accordingly, this Authority has no hesitation in holding that the purported cancellation dated 14.09.2023 is illegal, arbitrary, and non est in the eyes of law. The Agreement of Sale dated 30.01.2021 is therefore held to be valid, subsisting, and enforceable.

119. In view of the above findings, Respondent No. 1 is directed to execute and register the Sale Deed in favour of the Complainant in respect of Flat No. 801, upon receipt of any balance amount, if legitimately due, within a period of 30 days from the date of this Order. The Respondent shall further ensure completion of the project in all respects, strictly in accordance with the sanctioned plan, and hand over possession of the subject flat in a habitable and livable condition.

120. In regards with claim for compensation for mental harassment and agony, this Authority observes that claims of compensation in the nature of damages fall within the exclusive jurisdiction of the Adjudicating Officer appointed under Section 71 of the RE(R&D) Act. The Complainant is therefore at liberty to approach the Adjudicating Officer for adjudication of such claims, if so advised.

121. The Complainant has further sought refund of an amount of Rs. 1,57,50,000/-, being the sum allegedly paid in excess of the agreed sale consideration of Rs. 2,25,00,000/-, towards

so-called “specific improvements and add-ons”, along with applicable bank interest from 03.06.2024.

123. It is borne out from the record that the Complainant had paid an amount of Rs. 3,45,00,000/- as on 10.01.2023, which is Rs. 1,20,00,000/- in excess of the agreed sale consideration. The total payments made by the Complainant further increased to Rs. 3,82,50,000/- as on 19.07.2023, thereby resulting in an excess payment of Rs. 1,57,50,000/- over and above the agreed consideration of Rs. 2,25,00,000/- for the subject flat.

124. The Respondents have sought to justify the said excess by contending that the total consideration agreed between the parties was in fact Rs. 4,50,00,000/-, comprising Rs. 2,25,00,000/- towards the base sale price of the flat and an additional Rs. 2,25,00,000/- towards “add-on” improvements and custom specifications.

125. This Authority, however, is of the considered view that the alleged “add-on” arrangements, even constitute a separate and independent understanding and agreement and do not form part of the core transaction relating to allotment and sale of the subject unit under the Agreement of Sale dated 30.01.2021. Notably, the parties have failed to place on record any clear, specific, or verifiable details as to the nature, scope, specifications, or valuation of such alleged add-on works. In the absence of any cogent material delineating the exact nature of the improvements, their necessity, stage of execution, or corresponding valuation, this Authority is not inclined to undertake an adjudication into such collateral arrangements, which appear to be vague, unsubstantiated, and de hors the principal agreement governing the allotment of the unit. Accordingly, this Authority declines to dwell into the alleged add-on agreements stated to have been entered into between the parties for their mutual understanding.

126. The Complainant has sought direction to Respondent Nos. 1 and 2 to remove the charge created over Flat No. 801 in favour of Respondent No. 10 (State Bank of India) through the Memorandum of Deposit of Title Deeds dated 31.10.2023. As this Authority has already held that such mortgage was created in violation of Section 11(4)(h) of the RE(R&D) Act, Respondent Nos. 1 and 2 are directed to take all necessary steps to procure the release of the charge over Flat No. 801 from Respondent No. 10, and to ensure that the property is free from all encumbrances at the time of registration of the sale deed in favour of the Complainant.

L. Directions of the Authority:

127. In view of the findings recorded hereinabove under Point Nos. I, II, and III, and upon consideration of the material available on record, this Authority hereby passes the following directions:

- i. The purported cancellation of the Agreement of Sale dated 30.01.2021 by Respondent No. 1 vide communication dated 14.09.2023 is hereby declared as illegal, arbitrary, and void.
- ii. Respondent No. 1 is directed to execute and register the Sale Deed in favour of the Complainant in respect of Flat No. 801, together with the agreed appurtenances, upon receipt of any balance amount, if legitimately due, within a period of 45 days from the date of this Order.
- iii. Respondent No. 1 shall complete the construction of the subject flat in all respects, strictly in accordance with the sanctioned plan, and hand over possession of the flat in a fully habitable and livable condition.
- iv. Respondent Nos. 1 and 2 are directed to take all necessary steps to procure release of the mortgage/charge created over Flat No. 801 in favour of Respondent No. 10, State Bank of India, and ensure that the subject property is free from all encumbrances at the time of execution and registration of the Sale Deed.
- v. In view of the clear and established violations committed by Respondent No. 1, particularly under Sections 3(1), 13, and 11(4)(h) of the RE (R&D) Act, 2016, this Authority deems it appropriate to initiate penal action. Accordingly, the Secretary, Telangana Real Estate Regulatory Authority, is hereby directed to initiate appropriate steps for imposition of penalty against Respondent No. 1 under Sections 59 and 61 of the RE(R&D) Act, in accordance with law.
- vi. The Complaint as against Respondent Nos. 3 to 9 is disposed of at this stage.
- vii. In view of the facts and circumstances of the present case, this Authority deems it appropriate to observe and direct that all lending institutions dealing with real estate projects registered under the Real Estate (Regulation and Development) Act, 2016 shall exercise due diligence prior to sanctioning loans or accepting immovable properties as security. Such due diligence shall necessarily include verification of:
 - a) details of allotments made in respect of the units,
 - b) disclosures available on the RERA portal, including quarterly progress reports, and
 - c) existence of any subsisting Agreement(s) for Sale or allottee rights.

It is further clarified that any mortgage or charge created in contravention of the provisions of the RE (R&D) Act, 2016, particularly Section 11(4)(h), shall not affect or prejudice the rights of the allottee, and lending institutions shall be deemed to have notice of such statutory restrictions. The Complaint against Respondent No. 10 (SBI) shall stand disposed of.

128. All directions contained in this Order shall be complied, failing which appropriate action under section 63 of RE(R&D) Act shall be taken.

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

Sd/-

**Sri. K. Srinivasa Rao,
Hon'ble Member**

TG RERA

Sd/-

**Sri. Laxmi Narayana Jannu,
Hon'ble Member**

TG RERA

Sd/-

**Dr. N. Satyanarayana, IAS (Retd.),
Hon'ble Chairperson**

TG RERA

