

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 160 of 2024

Dated this 4th day of September 2025

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

Between:

Pratik Jalan

(R/o Plot no.54, Temple Rock Enclave, Tarbund Secundrabad- 500003 ...Complainant

Versus

The Building Co .(The Rasagna North")

(Represented by Mr. Ajay Salike, Plot no.E11, Vikrampuri Colony, Karkhana, Secundrabad- 500009)

...Respondent

The present matter filed by the Complainant herein came up for hearing before this Authority in the presence of Counsel Damodar Mundra for the Complainant and Counsel Drupad Sangwan, , for the Respondent, and upon hearing both the arguments on both sides and the matter reserved over for the consideration till this date ,this Authority passes the present complaint order.

ORDER

2. The Complainant has filed complaint on hand under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the "RE(R&D) Act"), read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules"), alleging commission of violation and contravening of the provisions of the said Act and Rules and sought for the appropriate reliefs against the Respondent.

A. Brief Facts of the Case as per Allegations/Averments Contained in the Complaint:

3. The Complainant entered into a transaction with the Respondent, M/s The Building Co., a real estate development firm, represented by its authorised signatory, Mr. Ajay Salike, for the purchase of Flat No. B-510 in the residential project titled "*TBC Rasagna North*", situated at Pet Basheerabad, Kompally, Qutubullapur Mandal, Medchal-Malkajgiri District, Telangana – 500014.

4. The initial booking of the said flat was made by the Complainant in September 2019, pursuant to which an aggregate advance amount of Rs. 15,00,000/- (Rupees Fifteen Lakhs only) was paid to the Respondent through bank transfers on 12.09.2019 (Rs. 5,00,000/-),

30.09.2019 (Rs. 5,00,000/-), and 24.02.2020 (Rs. 5,00,000/-). Subsequently, a Memorandum of Understanding (MoU) was executed between the parties on 27.02.2020, delineating the terms of the transaction, including the delivery timeline and the payment schedule.

5. As per the said MoU dated 27.02.2020, the subject flat was described as having a built-up area of 1152 sq. ft., with the total consideration fixed at Rs. 48,38,400/- (Rupees Forty Eight Lakhs Thirty Eight Thousand Four Hundred only). The MoU stipulated that possession of the flat would be delivered within 30 months from the date of issuance of building permission by the Greater Hyderabad Municipal Corporation (GHMC), with an additional grace period of 6 months.
6. The GHMC granted building permission for the project on 15.02.2020 vide Permit No. 1/C25/02247/2020. Accordingly, the outer limit for delivery of possession, including the grace period, was calculated as 14.08.2023. It is submitted that the total amount of Rs. 15,00,000/- had already been paid by the Complainant prior to execution of the aforesaid MoU.
7. Thereafter, upon obtaining registration of the project from the Telangana Real Estate Regulatory Authority (TGRERA) on 10.09.2020 (Registration No. P02200002100), the Respondent issued a revised MoU on 19.09.2020, which broadly reaffirmed the earlier terms with minor clarificatory modifications.
8. Subsequently, an Agreement of Sale was executed between the Complainant and the Respondent on 23.08.2023. However, the Complainant contends that the said Agreement of Sale is one-sided and fails to adequately protect his rights and interests as an allottee.
9. In view of the inordinate delay in delivery of possession and the alleged conduct of the Respondent, which has caused mental agony and reputational harm to the Complainant, the Complainant now seeks to withdraw from the project.

B. Relief(s) Sought:

10. To direct the Respondent to refund the entire sum of Rs. 30,00,000/- (Rupees Thirty Lakhs Only) paid by the Complainant to date, along with interest at the rate of 24% per annum calculated from the respective dates of payment.

C. Respondent's Reply

11. The Respondent has, at the outset, denied the locus standi and cause of action of the Complainant to file the present complaint. Further that the Complaint is based on an erroneous interpretation of the provisions of the Real Estate (Regulation and Development) Act, 2016 as

well as a misconstruction of the terms and conditions of the Agreement of Sale. The Respondent has urged this Authority to dismiss the complaint on this preliminary ground alone.

12. The Respondent has submitted that it is a prominent real estate company based in Hyderabad, India, focusing on both residential and commercial projects. The company claims to have a strong reputation for delivering quality construction and completing projects on time, with its operations extending across Telangana and Andhra Pradesh. The company places a strong emphasis on unique design and customer satisfaction.

13. The Respondent has submitted that it is the developer of the project known as "TBC Rasagna North", situated on land admeasuring 13011.24 square yards (equivalent to 10879.05 square meters), located in Sy No: 103/A of Kompally Village, Dundigal Gandimaisamma Mandal, and Sy Nos 25/1/A, 25/1/AA, 25/1/A/AA/A/2, and 25/1/AA/AA/S of Pet-Basheerabad Village, Suthubullapur Mandal, Medchal-Malkajgiri District, Telangana. The said project has been registered under RERA on 24.08.2020 vide Registration Number P02200002100.

14. The Respondent has stated that the project 'TBC Rasagna North' was conceptualized with the primary objective of providing homes to a large number of homebuyers. The Respondent claims to have worked diligently to complete the project and provide quality homes to the allottees.

15. The Respondent has submitted that the Complainant had approached it after learning about the project and expressed interest in purchasing Flat No. 510, situated on the 5th Floor of Block B in the said project (hereinafter referred to as the "Scheduled Unit" or "Flat"). A Memorandum of Understanding (MoU) was executed between the parties on 27.02.2020 regarding the said transaction.

6. The Respondent has explained that due to the outbreak of the COVID-19 pandemic, which qualifies as a 'force majeure' event under the applicable laws, the progress of the project was initially hampered. Notwithstanding this setback, the Respondent contends that it made continuous efforts to proceed with the construction activities and fulfill its obligations.

7. It has been submitted that when the Complainant observed substantial progress in the project as of 23.08.2023, the parties executed a formal Agreement of Sale with clearly stipulated payment terms, which were essential to the process of transfer of the scheduled flat. These terms were encapsulated in Schedule E of the Agreement.

8. The Respondent has averred that the Agreement of Sale dated 23.08.2023 clearly provides for delivery of possession in December 2024. However, due to a typographical error, one clause in the Agreement incorrectly mentions “Before December 2023.” The Respondent submits that when read as a whole, the true intention of the parties and the correct possession date (i.e., December 2024) becomes evident. The conduct of the Complainant, including communications and payment schedules, further supports this interpretation.

9. The Respondent has submitted that the Complainant was required to make timely payments in accordance with the construction stages outlined in Schedule E. The Respondent has produced WhatsApp messages exchanged between the parties which purportedly evidence that the Complainant accepted the demand for a payment of Rs. 5, 00,000 on 28.11.2023. Subsequent demands were raised in June and July 2024 for further installments totaling approximately Rs. 45,00,000 towards completion of the 5th floor slab. However, the Complainant admitted in messages dated 08.05.2024 and 17.06.2024 that he was facing financial difficulties and had only paid Rs. 25,00,000 as of 17.06.2024, with over Rs. 13,00,000 remaining unpaid as of 28.06.2024. In July 2024, after the 5th slab was completed, the Complainant paid only Rs. 5,00,000 on 04.07.2024 and failed to make further payments despite assurances.

10. The Respondent contends that repeated requests were made to the Complainant to adhere to the agreed payment terms, but the Complainant failed to comply. This has caused the Respondent substantial hardship, especially as the project is at an advanced stage.

11. The Respondent submits that despite being fully aware of the fundamental payment obligations tied to the transfer of the flat, the Complainant has willfully failed to comply with the same.

12. It is the case of the Respondent that the Complainant has approached the Authority with mala fide intentions and unclean hands. The Complainant’s aim, it is alleged, is to drag the Respondent into litigation while being fully aware of his own contractual defaults.

13. The Respondent reiterates that the Complainant, despite knowing the true date of possession and the payment obligations under the Agreement of Sale, has deliberately filed a baseless complaint to mislead this Hon’ble Authority and escape his own responsibilities.

14. The Respondent has submitted that the complaint is premature and devoid of cause of action. The Agreement for Sale dated 23.08.2023 clearly provides for possession in December

2024, in line with the MoU dated 27.02.2020, which provided for handover within 36 months plus a 6-month grace period from GHMC sanction obtained on 04.05.2021, making 04.11.2024 the applicable date. The December 2023 date mentioned in one clause of the Agreement is a clear typographical error, which is clarified by the rest of the Agreement including Schedule E.

15. The Respondent has argued that the Complainant's own breach of the payment schedule has disrupted the Respondent's financial planning and construction schedule. The Respondent contends that no party can benefit from their own default and therefore, the Complainant is disqualified from seeking relief.

16. The Respondent has reiterated that it has acted in good faith to meet its delivery obligations, but the Complainant's default at a crucial stage of construction has caused undue prejudice. The Complainant is now attempting to take advantage of his own wrong.

17. The Respondent has further argued that the Complainant is improperly seeking interim reliefs that are identical to the final reliefs sought, thereby circumventing the due legal process. Citing the judgment in *State of U.P. and Ors. v. Ram Sukhi Devi*, AIR 2005 SC 284, the Respondent asserts that granting final relief at an interim stage is judicially impermissible.

18. The allegations regarding delayed response to queries, lack of proper communication, and alleged harassment are wholly denied. It is submitted that the Respondent has always maintained a transparent and cooperative approach towards the Complainant and other allottees. The Respondent has responded to queries and clarifications within a reasonable timeframe and has kept the Complainant informed about the progress of the project through multiple channels, including WhatsApp updates, site visits, and written communication. The claims of harassment or intimidation are not only false but are also defamatory in nature and made with the intent to tarnish the reputation of the Respondent before Authority

19. The Complainant has not produced any admissible or credible evidence to substantiate the claims of mental agony, financial strain, or reputational damage. It is submitted that the Complainant has been aware of the timelines and obligations under the Agreement of Sale, and any delays or complications, if any, have been explained and communicated in a timely manner. The Respondent has always acted within the framework of the law and contractual obligations. The claims under this paragraph are thus speculative and devoid of legal merit.

20. The Respondent submits that the Complaint filed is a gross abuse of the process of this Hon'ble Authority and deserves to be dismissed at the threshold. The Complainant is

attempting to wriggle out of a legally binding contract, despite being in breach of the payment terms, and is using baseless allegations to claim refund and compensation. The Complainant has not come to this Hon'ble Authority with clean hands and is, therefore, not entitled to any equitable relief.

21. The Respondent reiterates that the project is progressing in accordance with the sanctioned plan and committed timelines, with best efforts being made to mitigate any delays caused by force majeure events, including the COVID-19 pandemic. The Respondent has always upheld the interest of allottees and remains committed to completing and delivering the Schedule Unit/Flat within the agreed timeframe under the Agreement of Sale dated 23rd August 2023.

22. It is therefore, prayed that the issues raised in the complaint may kindly be decided in favor of the Respondent and against the Complainant and may kindly be dismissed with heavy cost being frivolous and vexatious in the interest of justice and also prayed to pass such orders as may be deemed fit and proper in the facts and circumstances of the present case.

D. Rejoinder

23. At the outset, the Complainant submits that the averments and allegations made in the Reply filed by the Respondent are false, misleading, and bereft of legal and factual merit. The contents of the said Reply are denied in toto except to the extent expressly admitted herein. The Complainant further submits that the Counter is a mere attempt to divert the attention of this Hon'ble Authority from the core issue of delay in completion of the project and failure to fulfil binding commitments made under the MoU dated 27.02.2020. The Respondent is put to strict proof of all averments that are not admitted herein.

24. The Complainant denies that the Respondent is a reputed or time-bound developer. The Complainant has no personal knowledge of the alleged credentials or track record of the Respondent, and puts the Respondent to strict proof thereof.

25. The Complainant admits the contents of Para 3 of the Reply to the limited extent that the Respondent is the developer of the project "TBC Rasagna North," and that the land and location particulars as mentioned therein are correct.

26. The Complainant also admits regarding the execution of the MoU dated 27.02.2020 for purchase of Flat No. 510 in Block-B of the project.

27. the Complainant vehemently denies the averment that he signed any Agreement of Sale. It is submitted that the said Agreement of Sale dated 23.08.2023 was unilaterally executed and signed only by the Respondent, without the consent or signature of the Complainant. As such,

the terms and conditions set out in the said Agreement of Sale, including the payment schedule, possession date, and penalty clauses, are not binding upon the Complainant.

28. The Complainant submits that although the Respondent may assert that the possession was agreed to be delivered by December 2024, such date is not binding on the Complainant in view of the fact that he never signed the said Agreement of Sale. Moreover, even assuming arguendo that such date is accepted, the Respondent is nowhere close to completing Block-B of the project and is in no position to deliver possession within the next few weeks.

29. The Complainant submits that he has already made payments totaling ₹30,00,000/-, including ₹5,00,000/- paid on 04.07.2024, in accordance with the payment milestones under the MoU dated 27.02.2020. The Complainant has fully honoured his obligations under the MoU. The Respondent's attempt to impose an unsigned Agreement of Sale is not only contrary to the facts but also violative of Section 13(1) of the Real Estate (Regulation and Development) Act, 2016.

30. The Complainant strongly denies the claim that he is in default. The Respondent has not completed the 8th Floor Slab in Block-B, and as per the MoU, the next milestone-linked payment would be due only after such completion. Thus, no payment is due or pending from the Complainant.

31. The Complainant further submits that the statements made in Paras 12 and 13 of the Reply, accusing the Complainant of mala fides and approaching this Hon'ble Authority with unclean hands, are baseless and intended to mislead. The Respondent's reliance on an unsigned document (Agreement of Sale) as the basis for such accusations is legally untenable.

32. The Complainant states that the Complaint is not premature. Even as per the Respondent's own admission, possession was to be delivered by December 2024, and as of the date of this rejoinder, it is abundantly clear that such delivery is impossible given the stage of construction in Block-B. The brickwork is yet to be completed, which establishes delay beyond any reasonable doubt.

33. The Complainant submits that the GHMC permission relied upon by the Respondent was originally granted on 15.02.2020 under Permit No. 1/C25/02247/2020. The Respondent's assertion that the permission was granted on 04.05.2021 is incorrect. The latter date only reflects a modified sanction. Accordingly, as per the MoU, the possession ought to have been delivered by 15.08.2023 (36 months + 6 months grace), which has long since lapsed.

34. The Complainant reiterates that the Agreement of Sale dated 23.08.2023 was never signed by him and cannot be used to enforce obligations against him. All payments have been made as per the MoU, and there is no outstanding liability.

35. The Complainant submits that the Respondent has deliberately filed images of Block-A, which is not the subject matter of the present complaint. The Respondent may kindly be directed to file dated and verifiable photographs of Block-B to demonstrate the true status of the unit in question. The attempt to project progress in Block-A as applicable to the Complainant's flat is a deceptive tactic.

36. The Complainant further submits that, in violation of Section 13(1) of the RERA Act, the Respondent has collected an amount exceeding 10% of the cost of the unit without execution of a valid and signed Agreement of Sale. This alone constitutes a statutory violation entitling the Complainant to relief, including refund with interest.

37. Therefore, the complainant prayed before the Authority to allow the complaint by directing the Respondent to compensate for the delay caused in completion of the project and refund the amount of Rs.30,00,000/- along with 24% interest per anum.

E. Points for Consideration

38. Upon a careful and anxious consideration of the pleadings, the material placed on record, and the submissions advanced by the learned counsel for both parties, the following points arise for determination before this Authority:

1. *Whether the Complainant is entitled to the reliefs as prayed for in the Complaint, and if so, to what extent?*
2. *Whether the Respondent has contravened any provisions of the Real Estate (Regulation and Development) Act, 2016*

F. Observations of the Authority

39. The present Complaint has been filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016, wherein the Complainant seeks a refund of the amount paid towards the subject unit, invoking Section 18(1)(a) of the RE(R&D) Act, on the ground of delay in handing over possession. The Complainant has also unequivocally stated his intention to withdraw from the Project.

40. The Respondent opposes the claim by primarily invoking force majeure, citing the adverse impact of the COVID-19 pandemic. The Respondent has further contended that the Complainant failed to adhere to the agreed payment schedule, thereby disrupting the financial structuring and contributing to the delay in execution.

41. Upon perusal of the record, this Authority notes that the parties had executed a Memorandum of Understanding (MoU) dated 27.02.2020, under which the Respondent

undertook to deliver possession of the subject unit within 30 months from the date of obtaining building permission, with an additional grace period of 6 months.

42. As per the sanctioned records, the building permit was obtained on 04.05.2021. Accordingly, the outer date for delivery of possession, including the grace period, would be 04.11.2023.

43. Insofar as the Respondent's reliance on the Agreement of Sale dated 23.08.2023 is concerned, this Authority notes that the said agreement has been signed only by the Respondent and not by the Complainant. The Complainant has denied execution of the said document. Therefore, in the absence of mutual execution, the Agreement of Sale lacks enforceability and cannot be relied upon to determine possession timelines or revised consideration. Consequently, the Authority places reliance upon the mutually executed MoU dated 27.02.2020, which is a valid and binding document establishing the possession timeline.

44. At this juncture, the Authority deems it appropriate to address the applicability of the COVID-19 moratorium. The Respondent has relied upon force majeure owing to the pandemic, whereas the Complainant disputes such reliance. It is pertinent to note that Telangana RERA has, in prior cases, held that where agreements were executed in December 2020, 2021, or thereafter, with the allottees entering into the contract with full knowledge of the prevailing pandemic situation and extended timelines, the benefit of moratorium could not be subsequently invoked to defeat the agreed possession dates.

45. However, the facts of the present case stand on a distinct footing. The MoU between the parties was executed on 27.02.2020, immediately prior to the onset of the pandemic and before the imposition of nationwide lockdowns. Thus, the Complainant could not have foreseen the disruptive impact of COVID-19 at the time of execution. Accordingly, unlike the later agreements scrutinized in previous orders, the present MoU warrants the application of the statutory moratorium granted by this Authority vide circulars:

- i. 15.03.2020 to 14.09.2020 (Circular No. 14 dated 13.05.2020),
- ii. 15.09.2020 to 15.03.2021 (Order No. 15 dated 29.09.2020),
- iii. 15.03.2021 to 14.09.2021 (Order No. 16 dated 01.06.2021)

Therefore, the Respondent is entitled to the benefit of an 18-month extension on the possession timeline. Consequently, the possession date is revised to 04.05.2025, factoring both the MoU commitment and the moratorium.

46. The Respondent has also attributed delay to the alleged non-adherence to the payment schedule by the Complainant. The record reflects that the Complainant has paid ₹30,00,000/- out of the total consideration of ₹48,38,400/-. As per the MoU dated 27.02.2020, the schedule of payment was linked to construction milestones. However, following the COVID-19 moratorium and the consequent extension of timelines, no revised payment schedule was ever mutually agreed between the parties. The only such schedule is found in the unexecuted Agreement of Sale dated 23.08.2023, which lacks binding effect. Therefore, the argument of delayed payment as per the said Agreement of Sale is devoid of contractual backing and cannot be sustained.

47. Further Respondent stands regarding there has been also delay in the project due to the non-payment of the Complainant stands rejected. This Authority notes that in large-scale construction projects, the delayed payment of a single allottee particularly in the absence of a binding payment schedule cannot reasonably be cited as a cause for delay of the entire project. Such an assertion is untenable.

48. Further the Complainant has also raised objections regarding an alleged increase in the total sale consideration as reflected in the draft Agreement of Sale. However, the Authority finds no evidence of any contemporaneous protest or formal objection raised by the Complainant to such revision. More importantly, the Agreement of Sale remains unsigned by the Complainant, and hence, carries no legal sanctity and cannot be enforced.

49. That being said, this Authority deems it appropriate to clarify that as per the mutually executed MoU dated 27.02.2020, the parties had agreed upon a total sale consideration of ₹43,38,400/-, out of which ₹15,00,000/- had already been paid by the Complainant at the time of execution of the MoU. The MoU explicitly records the balance payable as ₹33,38,400/-, thereby clearly indicating the total consideration figure. The draft Agreement of Sale dated 23.08.2023, though not executed, mentions a revised total consideration of ₹40,32,000/- (exclusive of registration charges) which is lower than the MoU amount. In view of this, the Authority finds no merit in the Complainant's contention that he refrained from executing the agreement or lost trust due to an increase in price. On the contrary, the consideration mentioned in the draft agreement was less than what was originally agreed in the MoU, and therefore, the plea of price escalation as a reason for non-execution is factually and legally untenable.

50. It is evident that the project remains incomplete even as the revised outer timeline for possession, inclusive of the COVID-19 moratorium i.e., 04.05.2025. While the Respondent has submitted photographs of the subject unit and claimed that the flat is ready, there is no documentary evidence to substantiate that the unit is in a habitable condition. Notably, the

Occupancy Certificate (OC) has not been produced on record. As per the terms of the MoU dated 27.02.2020, the Respondent had also undertaken to obtain and deliver possession along with the Occupancy Certificate within the stipulated timeline. However, no such certificate has been submitted even as of date.

51. Moreover, communications exchanged between the parties, including WhatsApp messages and email correspondence, reflect mutual defaults on the part of the Complainant in partial and delayed payments, and on the part of the Respondent in delayed construction and non-execution of a binding agreement of sale. However, under the provisions of the RE(R&D) Act, the burden of statutory compliance is significantly higher on the Promoter, who is duty-bound to ensure timely possession and adherence to contractual obligations

52. The Respondent cannot indefinitely delay possession while relying on an unsigned agreement or unsubstantiated claims of payment default. It is pertinent to note that the COVID-19 moratorium applied equally to both parties. Consequently, it was incumbent upon the Respondent to draw up and communicate a revised payment schedule linked to the extended construction timeline. In the absence of such revision, the Respondent cannot validly attribute delay to the Complainant. The advantage of the moratorium cannot operate solely in favour of the promoter so as to indefinitely extend construction, while simultaneously expecting the Complainant to adhere to an unworkable payment plan. As the project is still under construction and possession has not been lawfully offered even by 04.05.2025, nor has an occupancy certificate been obtained, the Complainant's decision to withdraw from the project stands justified.

53. In light of the above, the Complainant is entitled to invoke Section 18(1)(a) of the RE(R&D) Act and seek refund of the amounts paid, along with interest as per Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017. i.e current Highest marginal cost of State Bank of India (9%) plus 2% that is 11% per annum, calculated from the 05.05.2025 until the date of actual realization. This refund along with interest shall be completed within 30 days from the date of this order.

54. However, since the COVID-19 moratorium is applicable in the present case, interest shall accrue only from 05.05.2025 onwards, and not prior, as the extended timeline provided relief to the promoter. Further, as the Complainant has denied reliance on the Agreement of Sale dated 23.08.2023, and the same remains unsigned, the Authority cannot consider the possession date mentioned therein. The only enforceable timeline is that stipulated in the

executed MoU dated 27.02.2020. Accordingly, interest is to be computed on the total amount paid by the Complainant, i.e., ₹30,00,000/-, from 05.05.2025 until the date of actual refund, at the prescribed rate under Rule 15 of TG RE(R&D) Rules, 2017.

Point 1 answered accordingly.

Point 2:

55. This Authority notes that the Memorandum of Understanding (MoU) between the Complainant and the Respondent is dated 27.02.2020, whereas the Respondent obtained RERA registration only on 24.08.2020, vide Registration No. P02200002100. The MoU itself expressly acknowledges that statutory approvals from competent authorities were not obtained as on the date of its execution.

56. Under Section 3(1) of the Real Estate (Regulation and Development) Act, 2016, a statutory bar is imposed, which reads as follows:

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

57. The legislative intent of Section 3 is to ensure that no pre-launch, marketing, or sale activity is undertaken prior to registration of the project, thereby safeguarding the interests of homebuyers and ensuring regulatory oversight.

58. In the present case, the sequence of events clearly reveals a violation of this statutory mandate. The Respondent entered into a financial arrangement with the Complainant under a MoU well before obtaining RERA registration thus engaging in pre-launch activity in contravention of Section 3 of the Act. This Authority, therefore, holds that the Respondent is in violation of Section 3 by marketing and executing the MoU prior to project registration. Section 13 of the RE(R&D) Act read as:

59. Further, the Complainant has also alleged that the Respondent collected an amount exceeding 10% of the unit cost without executing a registered agreement for sale, thereby attracting Section 13(1) of the RE(R&D) Act. The MoU dated 27.02.2020 records that the Complainant paid an amount of ₹15,00,000/- at the time of execution, and subsequently, another ₹15,00,000/-, aggregating to ₹30,00,000/-. The total sale consideration as per the MoU is ₹43,38,400/-. Thus, the Respondent has collected well over 10% of the unit cost without executing a registered agreement for sale.

60. Section 13(1) of the RE(R&D) Act mandates as under:

“A promoter shall not accept a sum more than ten per cent of the cost of the apartment, plot, or building as an advance payment or an application fee from a person without first entering into a written agreement for sale with such person and register the said agreement for sale”

61. It is evident that the Respondent failed to execute or register any such agreement with the Complainant despite receiving more than 10% of the consideration. The Agreement of Sale subsequently prepared in 2023 remained unexecuted, and therefore, cannot be relied upon to cure the earlier statutory infraction.

62. Accordingly, this Authority holds that the Respondent is also in clear violation of Section 13(1) of the RE(R&D) Act, 2016, for having collected more than 10% of the consideration amount without executing and registering a written agreement for sale.

Point 2 answered accordingly.

G. Directions of the Authority:

63. In view of the foregoing findings and in exercise of the powers conferred under the Real Estate (Regulation and Development) Act, 2016, the Authority issues the following directions:

1. In view of the findings under Section 18(1)(a) of the Real Estate (Regulation and Development) Act, 2016, the Respondent is directed to refund the total amount of ₹30,00,000/- (Rupees Thirty Lakhs only) received from the Complainant towards the subject unit.
2. The refund shall be made along with interest at the rate of 11% per annum (i.e., the current highest Marginal Cost of Lending Rate (MCLR) of the State Bank of India at 9% + 2% as prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017). Interest shall accrue from 05.05.2025 (being the revised possession date after accounting for the COVID-19 moratorium), and shall continue until the date of actual realization/refund.
3. Further, it is observed that, notwithstanding the fact that the concerned project is registered under TG RERA, the Respondent herein has entered into a Memorandum of Understanding (MOU) with the Complainant and collected amounts under the guise of a “pre-launch offer.” Section 3 of the Real Estate (Regulation and Development) Act,

2016, expressly prohibits a promoter from advertising, marketing, booking, selling, or offering for sale any plot, apartment, or building in any real estate project without first registering the said project with the Authority. By engaging in such pre-launch activities and collecting amounts from the Complainant, the Respondent has contravened the provisions of Section 3 of the RE(R&D) Act. Further, by accepting advances more than 10% without executing a valid agreement for sale in the prescribed manner, the Respondent has also violated the provisions of Section 13 of the RE(R&D) Act.

4. Accordingly, for the violations of Sections 3 and 13 of the Real Estate (Regulation and Development) Act, 2016, this Authority, in exercise of its powers under Sections 59 and 61 of the said Act, hereby imposes a penalty of Rs.5,00,000/- (Rupees five lakhs only) on the Respondent/Promoter. The said amount shall be payable in favour of TGRERA FUND through Demand Draft or by way of online transfer to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036, within 30 days from the date of receipt of this Order by the Respondent/Promoter.
 5. This Authority hereby cautions the Respondent that any future act of issuing pre-launch offers, or entering into agreements or accepting consideration prior to obtaining registration under the RE(R&D) Act, 2016, shall be viewed seriously. In the event of any such violation, this Authority shall not hesitate to initiate stringent action against the Respondent in accordance with the provisions of the RE(R&D) Act.
64. Failure to comply with above said directions by the Respondent shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.
65. As a result, the complaint is disposed of accordingly. No order as to costs.

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

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

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