

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 97 of 2025

08th October 2025

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

Kondapalli Abdul Razak

*(Flat No. 102, Sai Srinivasa Nilayam,
Madas Ramachandra Colony, Vigneshwara Colony,
Swayam Krushi Street, Arka Ellit School Lane,
Mallampet, Medchal District-500090)*

... Complainant

Versus

RSR Greenway Infra Pvt Ltd

*(Rep. by its MD, Ramalingam Srikanth Reddy
Pati Kolluru, Patancheru, Hyderabad,
Sangareddy District-502324)*

... Respondent

The present matter filed by the Complainant herein came up for final hearing on 17.07.2025 before this Authority in presence of Complainant in person and Nyshadam Sari Rekha on behalf of the Respondent; upon pursuing the material on record and on hearing arguments of both the parties and having stood over for consideration till this day, this Authority now proceeds to pronounce the present order on the Complaint.

ORDER

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

A. Brief facts of the case:

3. The Complainant submits that they booked Villa No. 138, out of 179 villas, admeasuring 165 square yards and facing East, in the project named "Rocketry." The villa, with a built-up area of 2,340 square feet, (consisting of a Ground Floor & First Floor +

Second Floor + Terrace Floor) for a total sale consideration of Rs.91,26,000/- excluding Rs.6,00,000/- for amenities. Moreover Rs.1,78,000/- for registration charges. The project is located in Survey Nos. 212/1, 212/2, 212/3, 212/4, 212/5, 212/6, 212/9, 189/P, and 201/Part, situated at Pocharam Village, Patancheru Mandal, Sangareddy District, Telangana State. As of now, the Complainant has paid Rs.80,00,000/-.

4. It submitted that, in April 2023, the Complainant paid Rs.50,00,000/- upfront as advised by Respondent. Subsequently, the Complainant was instructed to sell his house and pay an additional Rs.30,00,000/-, which he complied with. However, the project remains unapproved by TGRERA, and there has been no progress. Initially, 248 square yards of undivided share of land was registered in the Complainant's name under the assurance of obtaining HMDA approvals within three months, but no approvals have been got approved and received. The Complainant now seeks a refund of the entire amount with interest and compensation.

5. The Complainant further Stated that an MoU dated 25.09.2024 was signed, wherein the promoter/developer agreed to refund Rs. 80,00,000/- plus Rs. 10,00,000/- as compensation and refund of Rs.1,78,000/- paid towards registration charges, to be paid by 20th January 2025. To date, only Rs.18,00,000/- has been refunded in three installments of Rs.6,00,000/- each, delayed after repeated follow-ups. The balance of Rs.72,00,000/- plus registration charges remain unpaid. The Complainant has also incurred significant losses by selling his house and taking personal loans to fund this project, resulting in financial hardships.

S.NO.	AMOUNT	DATE	PAYMENT MODE	REF NO.
1	Rs.11,000/-	02.04.2023	UPI	309259091275
2	Rs. 5,00,000/-	06.04.2023	CHEQUE	CH:000050
3	Rs. 44,89,000	11.04.2023	CHEQUE	CH:003754
4	Rs.30,00,000/-	28.08.2023	CHEQUE	CH:000056

6. The Complainant Submits that the executives of RSR Greenway Infra Private Limited, namely Madhu and Naresh, actively persuaded the Complainant to invest in the Rocketry project. Payments were made to the company's account, and PDC cheques were provided. Despite assurances of starting the project within three months, there has been no update. These executives, along with the company's accountant (Gouse /Vishnu), have stopped

responding to calls or providing updates. Visits to the office have been unfruitful as the promoter remains unavailable and unresponsive.

7. The Complainant further stated that, the Respondent verbally assured the Complainant that the paid amount of Rs. 80,00,000/- along with interest and compensation would be refunded if the project was delayed or not commenced. However, despite repeated attempts to contact and meet the promoter for updates and refunds, he has blocked the Complainant's number and evaded all communication. Multiple visits to the office with family have also yielded no results, and the Complainant is left waiting indefinitely for a resolution.

B. Relief(s) Sought:

8. Accordingly, the Complainant sought the following reliefs:

- a) Refund amount of Rs.73,78,000/- from the Promoter/ Developer as mentioned
- b) Mentioned amount Refund along with the interest rate and compensation from the date of payment (Booking Date).

C. Reply on behalf of the Respondent:

9. The Respondent submits that he does not admit any of the material averments or adverse allegations made in the complaint except those specifically admitted herein, and puts the Complainant to strict proof thereof. It is true that the proposed upcoming project is situated in Sy. Nos. 212/1, 212/2, 212/3, 212/4, 212/5, 212/6, 212/9, 189/P, 201/Part at Pocharam village, Patancheru Mandal, Sangareddy District, and that the Complainant, along with others and this Respondent, executed a Development Agreement cum General Power of Attorney (DAGPA) with possession vide Doc. No. 1544/2023 dated 17.04.2023 before the Joint Sub-Registrar, Patancheru (R.O). However, the Complainant is not a vendee and the Respondent is not a vendor of the said property. The amount alleged to have been paid is only an investment for development purposes and not sale consideration.

10. The Respondent stated that the villa mentioned in the complaint was only referred to as a matter of security and not as part of any sale transaction. The project is still under the land acquisition and pooling stage, and necessary permissions are yet to be obtained. The Complainant is fully aware that the project has not yet commenced and is still in its preliminary stages. Despite this knowledge, the Complainant has filed the present complaint by falsely alleging a vendor & vendee relationship, which does not exist between the parties.

11. The Respondent submits that the Complainant had initially invested Rs. 80,00,000/- and subsequently withdrew Rs. 18,00,000/- due to his personal financial requirements, leaving a balance of Rs. 62,00,000/- as investment. It is denied that the Complainant made repeated calls for refund or that the Respondent blocked his number. The Complainant voluntarily executed the DAGPA with possession and is well aware of its terms, including Clause VI, which provides a period of 30 months with a grace of 6 months to complete construction after obtaining all necessary approvals.

12. It is further submitted that the project has not commenced due to legal and procedural delays, including land acquisition and regulatory permissions. The Respondent and other stakeholders are in the process of expanding the project, and once the required land is acquired, appropriate applications for permissions will be made. The Complainant, being aware of all these circumstances, has deliberately suppressed material facts and filed the present complaint on false and baseless grounds without any justification.

13. The Respondent submits that the present complaint is wholly misconceived, based on misrepresentations, and is not maintainable either in law or on facts. This Hon'ble Authority does not have jurisdiction to entertain a complaint arising out of an investment agreement, not a sale transaction. The Respondent reserves the right to file an additional counter, if necessary, during the pendency of the matter, and undertakes to return the remaining balance of Rs. 62,00,000/- once the project commences after obtaining the required permissions. Hence, the complaint is liable to be dismissed with costs in the interest of justice.

D. Rejoinder on behalf Complainant to the Counter of Respondent:

14. Cancellation of Original MoU and Execution of Cancellation MoU: The Complainant submits that due to severe financial hardship, including the inability to meet basic household expenses and educational fees of his daughter, a mutual understanding was reached with the Respondent to cancel the original Memorandum of Understanding (MoU) entered into in relation to the subject project. Accordingly, a Cancellation MoU was duly executed, wherein the Respondent unequivocally agreed to refund an amount of Rs.90,00,000/- (Rupees Ninety Lakhs only) to the Complainant.

15. Partial Payment Made by Respondent: The Complainant submits that the Respondent has so far refunded only Rs.18,00,000/- (Rupees Eighteen Lakhs only), leaving a substantial balance of Rs.72,00,000/- (Rupees Seventy-Two Lakhs only) that remains legally due and payable under the terms of the executed Cancellation MoU.

16. Unpaid Registration Charges: In addition to the above, the Complainant further submits that a sum of Rs.1,78,000/- (Rupees One Lakh Seventy-Eight Thousand only) towards registration charges is also outstanding, thereby making the total due amount Rs.73,78,000/- (Rupees Seventy-Three Lakhs Seventy-Eight Thousand only).

17. Misleading Statements in the Respondent's Counter: The Complainant strongly denies the contents of the Respondent's counter as being false, misleading, and suppressive of material facts. Notably, the Respondent has deliberately omitted any reference to the Cancellation MoU, which forms the crux of the transaction and the present dispute.

18. Prayer for Just and Equitable Relief: In light of the above, the Complainant respectfully prays that this Authority may be pleased to, take cognizance of the duly executed Cancellation MoU and the admitted financial obligations therein; and direct the Respondent to release the pending amount of Rs. 73,78,000/- along with applicable interest as per the provisions of the RERA Act.

E. Points for consideration:

19. After deliberation on the facts and circumstances of the present case and the documents filed in this behalf, following issues sprout for consideration:

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

F. Observations of the Authority:

Point I

20. Upon careful consideration of the material available on record and the submissions made by both parties, this Authority is of the considered view that the Respondent has violated the mandatory provisions of the Real Estate (Regulation and Development) Act, 2016, particularly Sections 3 and 4 thereof, by undertaking and promoting a real estate project titled "Rocketry" without securing registration from this Authority.

21. Section 3(1) of the RE(R&D) Act explicitly prohibits any promoter from advertising, marketing, booking, selling, or offering for sale any plot, apartment or building in a real estate project without first registering the project with the Real Estate Regulatory Authority. In the present case, the documents on record particularly the registered Sale Deed, Memorandum of

Understanding (MoU), and payment receipts clearly establish that the Respondent undertook financial transactions and executed binding agreements with the Complainant for allotment of a specific unit, prior to obtaining mandatory registration.

22. The Respondent's contention that no booking or promotional activity has not been undertaken, and that registration shall only take place after securing approvals, is devoid of merit. The admitted receipt of substantial sums of money from the Complainant and the execution of documents indicating intention to allot a particular unit demonstrate beyond doubt that the Respondent had commenced activities falling within the ambit of section 3 of RE (R&D) Act, 2016.

23. It is pertinent to note that the RE(R&D) Act places an unambiguous obligation upon the promoter to obtain prior registration before accepting any form of consideration or entering into any agreement for sale. The submission that registration would follow approvals is neither a valid defence nor a mitigating factor. The regulatory mandate under Section 3(1) is strict and non-derogable. Post-facto justifications cannot cure the statutory infraction.

24. Furthermore, Section 4(1) of the RE(R&D) Act requires every promoter to submit an application for registration in the prescribed form and manner before initiating any transaction or communication with prospective buyers. There is no material on record to indicate that the Respondent had ever submitted such an application to this Authority. On the contrary, the Respondent proceeded to collect the entire sale consideration and executed formal documents without any effort to comply with the statutory requirement of registration or even obtain necessary approvals from competent authority.

25. The Respondent's conduct, as revealed through the documents placed on record, indicates a conscious and deliberate pattern of engaging in financial transactions with the Complainant without first securing statutory registration or necessary approvals. This conduct is not merely technical in nature but strikes at the very foundation of the protective mechanism envisaged under the Act for safeguarding the interests of homebuyers. The execution of a registered Sale Deed and the collection of the full sale consideration, without initiating any actual development on site, exemplify wilful non-compliance and commercial exploitation.

26. The relevant portion of Section 3(1) of the RE (R&D) Act is extracted below for reference:

“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.”

27. Having regard to the foregoing findings, this Authority is of the view that the Respondent has clearly contravened both Section 3(1) and Section 4(1) of the Act. As a direct consequence of such violations, the Respondent is liable for penalty under the penal provisions laid down in the Act. In particular:

Section 59(1) provides that:

“If any promoter contravenes the provisions of Section 3, he shall be liable to a penalty which may extend up to ten per cent of the estimated cost of the real estate project as determined by the Authority.” (Section 59(1))

Section 60 further provides that:

“If any promoter provides false information or contravenes the provisions of Section 4, he shall be liable to a penalty which may extend up to five per cent of the estimated cost of the real estate project as determined by the Authority.” (Section 60)

28. In light of the above, this Authority concludes that the Respondent's conduct constitutes a serious and wilful breach of the RE (R&D) Act. The Respondent proceeded to advertise, negotiate, and execute sale agreements as well as collect substantial consideration from the Complainant in respect of an unregistered project, in total disregard of the statutory framework. These actions not only amount to regulatory violations but also undermine the very objectives of the RE (R&D) Act to ensure transparency, accountability, and protection of the rights of allottees.

29. Accordingly, Point II is answered in the affirmative. It is held that the Respondent has violated Sections 3 and 4 of the RE (R&D) Act, 2016, by marketing, offering for sale, and executing transaction documents in relation to the unregistered project “Rocketry.” The Respondent is, therefore, held has to be liable for penalty under Sections 59 and 60 of the RE(R&D) Act, and as such the Authority is contemplation to initiate appropriate action for imposition of such penalty in accordance with law.

Point II

30. The Complainant has placed on record the sale deed which was executed on 17th April 2023, placed on record (Document No. 1543/2023 dated 17.04.2023) at same reflect that, he purchased open land admeasuring 248 sq.yds and 13 others also purchased piece of land along with him Sy. Nos. 212/1, 212/2, 212/3, 212/4, 212/5, 212/6, 212/9, 189/P, 201/Part and there after he along with remani9nangs 13 others purchased as contented by the Respondent herein entered into DGPA dated 17.04.2023 in the ratio of 67:33 for development project named Rocketry situated Pocharam village, Patancheru Mandal, Sangareddy District. Thereafter as per the MOU dated 09.09.2023 placed on record by the Complainant had booked Villa No. 138, out of a total of 179 villas, admeasuring 165 square yards (East facing), situated in the project named "Rocketry", with a built-up area of 2,340 square feet. The total sale consideration for the said villa being Rs.91,26,000/-, exclusive of Rs.6,00,000/- towards amenities and Rs.1,78,000/- towards registration charges.

31. Accordingly, in April 2023, the Complainant paid a sum of Rs.50,00,000/- by way of cheque at the insistence of the Respondent. Subsequently, the Complainant contends the respondent persuaded him to sell his residential flat. Accordingly, he sold his residential flat and paid an additional amount of Rs.30,00,000/- to the respondent after that he came to know that the respondent did not commenced the project even after lapse of 2 years. Even though 2 years the respondent has assured that necessary approval from HMDA would be obtained within three months soon after himself and remaining 13 purchasers of land delivered his 248 square years and remaining purchasers their piece of land was given into delivered possession to the respondent. It has come to light that the assurances given by the respondent that he would obtain all the necessary approvals from the concerned authorities for false and misleading. In light of the inordinate delay and absence of statutory approvals, he (Complainant) sought refund of the entire amount paid along with interest. Following several discussions, both parties executed a Memorandum of Understanding (MoU) dated 25.09.2024, wherein the Respondent unequivocally agreed to refund Rs.80,00,000/- towards principal, Rs.10,00,000/- towards compensation, and Rs.1,78,000/- towards registration charges, with the total amount to be paid on or before 20.01.2025. As, the Respondent failed to honor the said commitments, he Complainant, who has been servicing EMIs for the past 23 months and had suffered the loss of his own residential flat, has been put to immense financial hardship. Despite multiple follow-ups, the Respondent has refunded only a sum of Rs.18,00,000/- to the Complainant on 13.12.2024, in partial compliance with the MoU.

32. However, the Respondent has denied the allegations made by the Complainant and contended that the Complainant is neither a vendee nor the Respondent a vendor, further asserting that the amounts paid were merely investments for development purposes and not towards sale consideration. However, this contention appears to be devoid of merit. The registered Sale Deed bearing Document No. 1543/2023 dated 17.04.2023 the MOU dated 17.04.2023 and further MOU dated 25.09.2024 revealed and clearly records the allotment of Villa No. 138 in the project “Rocketry,” comprising 165 square yards of land with a built-up area of 2,340 square feet, in favour of the Complainant and the Complainant paying of Rs.18,00,000 out of total sale consideration amount of 91,26,000 to the respondent and the respondent acknowledging receipt of the said amount of RS.80,00,000/- from the Complainant thus it is clear that he said Villa No.138 stood allottee to the Complainant by the respondent for a consideration. In this context for this let us refer to the Section 2(d) of the RE (R&D) Act, 2016. Which reads as follows:

"allottee" in relation to a real estate project, means the person to whom a plot, apartment or building, as the case may be, has been allotted, sold (whether as freehold or leasehold) or otherwise transferred by the promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or otherwise but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent;

33. The afore-extracted provision of section 2(d) of the Act, make it clear that is the allottee of the above said villa in the project of the respondent. Accordingly, the Respondent's denial of a vendor & vendee relationship is untenable in law and on facts as per the terms of the Memorandums of Understanding mentioned herein above.

34. Now, this Authority proceeds to consider the eligibility of the Complainant for the relief under the Real Estate (Regulation and Development) Act, 2016. A key aspect of this evaluation involves determining whether Section 18 of the RE(R&D) Act can be invoked in cases where the project lacks registration with the Authority. This examination is vital to ensuring that the rights of the Complainant can be upheld or not.

35. Keeping in view the factual condition of the present case on hand it is pertaining to look into the provisions of Section 18(1) of the Act, which reads as follows:

“If the promoter fails to complete or is unable to give possession of an apartment, plot or building, —

(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or

(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason, he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act.”

36. Considering the aforementioned the provision of Section 18 of the RE(R&D) Act, this Authority is of the considered opinion that the Complainant, having invested a substantial sum of money for acquiring the allotted Villa, has been wrongfully deprived of his rights due to the Respondent's absolute failure to execute the project. Consequently, the authority is of the view that Complainant is entitled to the relief of refund of the amount as sought for by him as detailed herein above in Para No. 7B along with applicable interest.

37. While so, as can be gathered from the MOU dated 25.09.2024 both parties herein have already entered into the said Memorandum of Understanding (MoU), based on the mutual settlement and in pursuant to which the respondent as first party therein as agreed to refund an amount Rs. 80,00,000 and interest the amount of Rs.10,00,000/-. Accordingly, he Rs. 18, 00,000/- in 3 equal instalments at Rs. 16,00,000/- each in between 01.2. 2025 and agreed to pay the remaining balance of Rs.72,00,000/- by 1.1.2025 with a grace period of 15 days and so also agreed to refund registration charges of Rs 1,78,000/- to the Complainant as second party therein. Thus, it is clear that both the parties have already have acted upon the said MOU and the respondent has complied with MOU to a limited extend. At this stage the aspect that has to be take note of this that the respondent has not brought on record any martial of proof to prove and establish that he has paid the remaining balance of amount Rs.72,00,00/- plus registration of charges 1,78,000/- as in compliance with the time line acted upon by him in the said MOU in this circumstances the conclusion that can be drawn is that the respondent now probability failed to pay the said balance amount and registration charges to the Complainant herein in terms of the MOU, when that is so this authority is on view that the respondent is bound to refund the above said remaining amount of Rs. 72,00,000/- plus registration charges amount of Rs. 1,78,000/- in terms of the MOU immediately. At part from that as can be seen from the material available on record the respondent as delayed to pay to refund the above said balance amount including with registration charges.

38. Further, as per the terms of the said MoU the interest component was agreed to be paid by the respondent to the Complainant herein on or before 01.01.2025. But however as can be gathered from the above said MOU was not adhered to by respondent. Which, the respondent was not justified for the Complainant await for so long. The Complainant invested his hard-earned money in the very hope that the villa will be handed over, due to the utter failure of the Respondent in initiating the project and illegally performing the activities of marketing selling, engaged in violating of provisions of RE (R&D) Act, in lieu of pre- launch offer. The Respondent provided the false hope to the Complainant. Hence, it is not right to just leave the Respondent without making him liable to for the delay from 01.01.2025, a date by which he (respondent) assured to the refund the entire amount. Therefore, in the interest of justice Complainant, this Authority is of the firm view that Respondent shall be made liable to pay the applicable interest to the Complainant from 01.01.2025 on the above said remaining balance amount remained to be paid by respondent to Complainant, until the date of actual realization.

39. The said interest shall be paid in accordance with Rule 15 of the TG RE (R&D) Rules, 2017 i.e. Current Highest marginal cost of State Bank of India plus 2% which cumulatively amounts to 8.75% + 2% that is 10.75 % per annum.

40. Therefore, Point II is answered in the affirmative.

G. Directions of the Authority

41. In exercise of the powers conferred under Section 37, this Authority issues the following directions:

- a. This Authority hereby directs the Secretary, Telangana RERA, to initiate suo motu proceedings for violation of Sections 3 and Section of the RE(R&D) Act, 2016. Appropriate action must be taken for the failure to obtain registration, non-disclosure of encumbrances, and consequent contraventions of statutory obligations by the Promoter/ Respondent.
- b. The Respondent is hereby directed to refund the amount specified herein above Para No. 37 and 39 that is to say Rs.72,00,000/- plus 1,78,000/- registration charges along with interest of 10.75% per annum.

42. Failing to comply with the above said directions by the Respondent shall attract penalty in accordance with Section 63 of the Act, 2016.

43. The Complaint is disposed of in lieu of the above directions. No order as to costs.

Sd/-

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

TG RERA

Sd/-

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

TG RERA

Sd/-

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

TG RERA

