

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 297 of 2024

1st December 2025

Quorum:

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

Smt. T. Usha Rani

*H.No.48-579/1, Ground Floor,
Ganesh Nagar, Near Ramalayam,
Chintal, Quthbullapur Mandal,
Medchal-Malkajgiri District,
Hyderabad, Telangana-500054.*

... Complainant

Versus

1. M/s. Tulasi Constructions

*C/o Green Metro Infratech & Projects Pvt. Ltd.
H.No.8-2-293/82/A/787, Plot No.787,
3rd Floor, Apurupa Turbo, Road No.36,
Near Croma, SBI Colony, Jubilee Hills,
Hyderabad, Telangana-500033*

2. M/s. Bhuvanteza Infra Project Pvt. Ltd.,

*Flat No.201, Second Floor, Lumbini Amrutha
(Chambers, Nagarjuna Circle,
Road No.3, Banjara Hills, Hyderabad-500082*

3. M/s. Green Metro Infratech and Projects Pvt. Ltd

*C/o-M/S Green Metro Infratech & Projects Pvt Ltd
H.No. 8-2-293/82/A/787, 3rd Floor Apurupa Turbo,
Road No.36, Near Croma, Jubilee Hills Hyderabad-500033*

... Respondents

The present Complaint came up for hearing on 09.09.2025 before this Authority. The Complainant was present in person, and Sri S. Vijay Kumar, learned Counsel for Respondent No.1, and Sri G. Satyanarayana, learned Counsel for Respondent No.2, were present. Respondent No.3 was present in person and upon hearing the submissions advanced by both sides and having reserved the matter for orders, this Authority now proceeds to pass the present **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 stated that she is filing the present complaint against Mr. Boddu Ashok, Director of M/s Tulasi Constructions (Respondent No.1) and Mr. Chekka Subrahmanyam, Director of Respondent No.2 (for their fraudulent acts and deceptive conduct which caused her financial loss. The Complainant submitted that M/s Tulasi Constructions launched a residential project under the name “Tulasi Lake Front” situated at Suraram, Quthbullapur mandal, Medchal-Malkajgiri District and appointed M/s Bhuvanateza Infra Projects Pvt. Ltd. as the Sales and Marketing agency to promote and sell the flats in the said project.

4. The Complainant had booked a Flat No. 203 on the 2nd Floor, 4th Block in the said project through the channel partner M/s Bhuvanateza Infra Projects Pvt. Ltd., and paid the total sale consideration amount of ₹16,50,000/- (Rupees Sixteen Lakhs Fifty Thousand only). The Complainant stated that she has been waiting for the registration of the said flat for more than three years, but despite full payment, the Respondents failed to execute and register the Sale Deed in her favour.

5. After payment of the total sale consideration, the Complainant was issued an Agreement of Sale by Respondent No.2, duly signed and authorized by its Director, Mr. Chekka Subrahmanyam. However, due to internal financial disputes between respondent No.1 and 2, the registration of the flat has been indefinitely delayed, causing severe hardship to the Complainant.

6. The Complainant submitted that when she approached the Respondent No.1 and 2 for completion of the registration, instead of cooperating, they started threatening and intimidating her. The Complainant stated that such actions clearly demonstrate malafide intent and constitute gross deficiency in service, breach of trust, and fraudulent misrepresentation on the part of the Respondents.

7. The Complainant therefore prayed this Hon’ble Authority to take the cognizance of the fraudulent and deceitful acts committed by Respondent No.1 and 2 and direct a detailed

investigation into the matter, and initiate appropriate legal action against the said companies and their directors.

B. Relief Sought:

8. In view of the above-mentioned facts and circumstances, the Complainant has prayed for the following relief:

- a. To direct the Respondents to register the Sale Deed in respect of Flat No. 203, 2nd Floor, Block No. 4, at Tulasi Lake Front project, Suraram as per the agreement (or) return the total sale consideration amount of ₹16,50,000/- along with interest and penalties.

C. Counter filed by Respondent No.1

9. The Respondent No.1 stated that the adverse averments made in the complaint are specifically denied as false and baseless. The Complainant may be put to strict proof thereof. As per the own version of the Complainant, the alleged part sale consideration of ₹16,50,000/- was paid to the Respondent No.2 and not to this Respondent. Even the alleged Agreement of Sale dated 09.01.2021 said to have been executed in favour of the Complainant in respect of Flat No.203, 2nd Floor, Block No.4, at “Tulasi Lake Front”, Suraram was entered into with the Respondent No.2 and not with this Respondent No.1. Hence, the Complainant has no locus standi to file the present complaint before this Hon’ble Authority against this Respondent No.1, she being a total stranger to this Respondent company.

10. After obtaining necessary approvals from the competent authorities, including GHMC and other local bodies, this Respondent commenced construction of apartments under the name and style of “Tulasi Lake Front”, Suraram. The Complainant neither entered into any sale agreement nor paid any sale consideration directly to this Respondent No.1 company. Therefore, there exists no contractual relationship between the Complainant and this Respondent No.1. The alleged documents and receipts produced by the Complainant are not binding on this Respondent, as they were executed solely by Respondent No.2, without the knowledge, consent, or authorization of this Respondent company.

11. Further, the Respondent No.2, claiming to be the Managing Director of Respondent No.1, entered into certain agreements with some individuals, including the present Complainant, and received sale consideration amounts purportedly offering to sell flats of this Respondent company. The Respondent No.1 categorically submitted that Respondent No.2 was

neither a General Power of Attorney holder nor a representative or agent of this Respondent company in any capacity. Without any authorization, Respondent No.2 executed such agreements and issued receipts in the name of his company, i.e., Respondent No.2, in relation to flats belonging to this Respondent. The said act amounts to misrepresentation and unauthorized dealing. Such agreements are akin to one purporting to sell a third party's property without ownership or authority, which is legally void and unenforceable.

12. The alleged Agreement of Sale dated 09.01.2021 is a fabricated and concocted document, as the same does not even bear the signature of the Complainant. Therefore, the said document has no legal sanctity. The Respondent No.1 further submitted that there is no privity of contract between this Respondent and the Complainant. It is a settled legal principle that only parties to a contract have enforceable rights and obligations under it, and third parties cannot sue or be sued based on such contracts. Since there is no contractual nexus, no cause of action arises against this Respondent. Their project "Tulasi Lake Front" has been duly approved by GHMC and registered under TG RERA, with validity up to the year 2028. The project is still under construction and within the permitted period for completion as per RERA registration conditions. Therefore, any complaint filed prior to the stipulated completion period is premature and not maintainable.

13. The allegation of threatening the Complainant by this Respondent is false, baseless, and invented merely for the purpose of filing this complaint and related criminal proceedings. The said allegations are a matter of investigation before the appropriate forum. The reliefs sought by the Complainant, such as direction to register the alleged Flat No.203, payment of interest, and issuance of Occupancy Certificate, are beyond the jurisdiction and purview of this Authority, in the absence of any contractual relationship or monetary transaction between the Complainant and this Respondent. The Respondent No.1 also pointed out that all receipts and the alleged agreement issued by Respondent No.2 refer to "25th Block," whereas the relief claimed in the complaint refers to "4th Block," which clearly shows inconsistency and contradiction in the pleadings and prayer of the Complainant.

14. In view of the above facts and circumstances, the present complaint filed by the Complainant against this Respondent No.1 is false, frivolous, and vexatious. The complaint is liable to be dismissed in limine, as no cause of action arises against this Respondent. Hence, this Hon'ble Authority may be pleased to consider this counter, drop all further proceedings

against this Respondent, dismiss the baseless complaint, and pass such other order or orders as deemed fit and proper in the interest of justice and equity.

D. Counter filed by Respondent No.2

15. The Respondent No.2 represented by its Mr. Chekka Subrahmanyam submitted that the grievance raised by the Complainant does not fall within the jurisdiction of this Hon'ble Authority, as the Respondent No.2 is an independent marketing agent who procures plots or flats from various developers through Agreements of Sale and subsequently sells them to prospective purchasers. The Respondent No.2 further submitted that there exists no written or oral contract or Memorandum of Understanding (MoU) between this Respondent and Respondent No.1 in respect of the project "Tulsi Lake Front". Hence, Respondent No.1 is not liable in any manner towards the Complainant's claims, and consequently, the complaint is misconceived and not maintainable.

16. The Respondent No.2 stated that he is not a "Real Estate Agent" as defined under the provisions of the Real Estate (Regulation and Development) Act, 2016, and has not been registered with TG RERA as an agent of Respondent No.1 under Section 4 of the said Act. Therefore, the present complaint is beyond the scope and jurisdiction of this Authority, as no legal or contractual nexus exists between this Respondent and Respondent No.1 under the purview of the Act.

17. Further, submitted that he entered into an Agreement of Sale with the Complainant and received the total sale consideration of ₹16,50,000/- (Rupees Sixteen Lakhs Fifty Thousand only). There was no written or oral agreement or MoU with Respondent No.1 authorizing him to execute any such transaction. The Respondent No.2 stated that he had intended to act as an independent marketing intermediary to facilitate a transaction between Respondent No.1 and the Complainant, but Respondent No.1 did not grant any consent, authorization, or permission for the said negotiation.

18. In view of the non-granting of permission by Respondent No.1, he had expressed willingness to amicably settle the issue with the Complainant. However, the Respondent No.2 has been implicated in a criminal case, registered as FIR No.47/2024 by the CCS Police, Hyderabad, along with certain other related matters. The Respondent No.2 submitted that during the course of the said criminal proceedings, the investigating agency has seized all his documents, assets, and bank accounts, thereby rendering him incapable of settling the amounts

due to the Complainant at present. The Respondent No.2 stated that upon de-freezing of his accounts and release of assets by the authorities concerned, he shall take necessary steps to settle the accounts with the Complainant.

19. Furthermore, the Respondent No.2 submitted that the relief sought by the Complainant is beyond the purview of this Hon'ble Authority, as there exists no *privity of contract* between Respondent No.1 and this Respondent No.2, nor between the Complainant and Respondent No.1 through this Respondent. The entire subject matter pertains to criminal allegations which were already under investigation in FIR No.47/2024 by CCS Police, Hyderabad, and hence falls within the jurisdiction of the criminal court.

20. Therefore, the Respondent No.2 submitted that in view of the foregoing facts and circumstances, this Hon'ble Authority may be pleased to take note of this counter, drop all further proceedings, and dismiss the complaint as false, frivolous, and not maintainable under law, and pass such other or further orders as this Hon'ble Authority may deem fit and proper in the interest of justice and equity.

E. Rejoinder by the Complainant to the counter filed by Respondent No.1:

21. The Complainant submitted that she reiterates the averments made in her main complaint and specifically denies all allegations made in the counters filed by the Respondents except where expressly admitted herein. The Complainant denies the contention that the complaint is premature or not maintainable and submits that the Respondent's version is self-serving, devoid of any substantiating evidence, and contrary to the material facts on record.

22. The Complainant submits that Respondent No.2 has marketed the project "Tulasi Lake Front" showing the brochure depicting "Tulasi Constructions" and Respondent No.1 and 1 as the promoter and developer. Both Respondents jointly promoted the said project and conducted customer meetings confirming their collaboration. Relying upon their representations, the Complainant agreed to purchase Flat No.203, 2nd Floor, Block-4, admeasuring 620 sq. ft., for a total sale consideration of ₹16,50,000/- and paid the same to Respondent No.2 under an Agreement of Sale dated 09.01.2021, both Respondents failed to execute the registration till date. "Tulasi Constructions" is a sister concern of Respondent No.3, and that Respondent No.2 acted as its agent in marketing and executing transactions on its behalf, which is evident upon lifting the corporate veil.

23. Moreover, the lands bearing Survey Nos. 96, 97, and 98 situated at Suraram Village were developed by Respondent No.3, which obtained GHMC and RERA permissions for the layout. “Tulasi Constructions,” being a subsidiary/sister concern, subsequently obtained permissions for construction of apartments and appointed Respondent No.2 as its marketing agent. Therefore, Respondents 1 and 2 are jointly and severally liable for the acts and omissions committed in the course of business. It is further submitted that Respondent No.1, as the principal developer and promoter, is vicariously liable for the representations and actions of Respondent No.2 under the principle of *vicarious liability*. The Respondent No.2’s representative has also admitted before this Authority that a financial dispute exists between Respondents 1 and 2 and that they intend to resolve the same and complete registrations in favour of the respective customers.

24. The Complainant submits that several sale deeds have already been executed by Respondent No.1 in favour of other allottees in the same project marketed by Respondent No.2, which clearly establishes their joint involvement and privity. Hence, Respondent No.1 cannot evade responsibility by contending non-existence of contractual relationship. The plea that the project completion period extends up to year 2028 under TG RERA does not absolve the Respondents from performing the contractual obligation of registering the flat for which the Complainant has paid the full sale consideration. The continuous failure to honour the Agreement of Sale and deliver the flat constitutes a cause of action, warranting intervention of this Authority.

25. In view of the above, the Complainant submits that both Respondents are jointly and severally obligated to register Flat No.203, 2nd Floor, Block-4, in favour of the Complainant. The Respondent No.1, being the principal promoter, is legally accountable for all acts of its agent, Respondent No.2, and cannot escape liability under the guise of internal disputes. Therefore, it is most humbly prayed that this Hon’ble Authority may be pleased to direct the Respondents to register the said flat in favour of the Complainant and to grant such other reliefs as this Hon’ble Authority may deem fit and proper in the interest of justice.

F. I.A. No. 68 of 2025

26. The Complainant, Smt. T. Ushas Rani, filed the present I.A application seeking permission to amend the cause title of the main complaint by adding M/s. Green Metro Infratech and Projects Pvt. Ltd. as Respondent No.3, being the developer/promoter of the project “Tulasi Lake Front,” situated at Suraram Village, Quthbullapur Mandal, Medchal-

Malkajgiri District, Telangana. The Complainant submitted that the said promoter company was inadvertently omitted while drafting the original complaint. Upon perusal of the record and after hearing the Complainant, this Authority finds that the proposed amendment is necessary for proper adjudication of the matter and to avoid multiplicity of proceedings. Accordingly, I.A. No. 68 of 2025 is hereby allowed, and the Complainant is permitted to amend the cause title of the complaint by adding M/s. Green Metro Infratech and Projects Pvt. Ltd. as Respondent No.3.

G. Points for consideration:

27. 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 Respondent No.1 is liable for the actions of Respondent No.2?
- III. Whether the Complainant is entitled to the relief as sought in the Complaint?

H. Observations of the Authority:

Point I

28. Upon careful perusal of the documents placed on record and after considering the submissions of both parties, it emerges that the Complainant paid the entire sale consideration of Rs. 16,50,000/- and accordingly entered into an Agreement of Sale dated 09.01.2021 for purchase of Flat No. 203, 2nd Floor, Block No. 4 in the project titled "Tulasi Lake Front." At the time of execution of the said Agreement of Sale, Respondent No.2 acted in the capacity of the vendor.

29. It is observed that the Respondent No.2 initially offered to the Complainant a 1 BHK unit admeasuring 620 sq. ft., situated in Block No. 25, including common amenities. Subsequently, as per the submissions of the Complainant, upon being informed that no 1 BHK units were available, Respondent No.2 (M/s. Bhuvanteza Infra Projects Pvt. Ltd.) offered an alternative unit namely the 2 BHK Flat No. 203 in Block No. 4 of the same project. However, no document, such as a supplementary agreement, allotment letter, or booking confirmation, has been placed on record by the Complainant to substantiate the alleged transfer of allotment from Block 25 to Block 4. This remains a material deficiency in evidence, and the same shall be considered in the subsequent findings.

30. Both Respondents have raised objections regarding maintainability of the present complaint. Respondent No.1 asserts that (i) there is no privity of contract between him and the Complainant, and (ii) the registration of the project is valid up to 2028, and therefore the complaint being filed prior to the expected date of possession is premature. Respondent No.2 contends that as he is not a registered real estate agent under the RE(R&D) Act, 2016, the complaint against him is not maintainable.

31. Turning first to the objection raised by Respondent No.1, the contention is that the Complainant has no locus standi since no contract exists between them. However, the project “Tulasi Lake Front” is a registered real estate project before this Authority, wherein Respondent No.1 is the Promoter. Once a project is registered and is being advertised, marketed, or offered for sale to the general public, it cannot be assumed that the Promoter is uninformed or disconnected from activities undertaken for the purpose of attracting allottees.

32. This Authority has previously dealt with comparable circumstances. In Complaint No. 32 of 2024 & batch, concerning the project “Tulasi Bhagyanagar”, Respondent No.2 was found to have acted as a marketing agent on behalf of Respondent No.2, executing agreements, collecting consideration, and facilitating sales. The Authority held both Respondents jointly and severally liable notwithstanding absence of a formal written agreement defining their inter-se relationship.

33. Although the present facts pertain to a different project, this Authority notes a pattern of conduct wherein Respondent No.2 facilitates sales for projects promoted by Respondent No.1. Whether such facilitation is established in the present matter will be examined in subsequent paragraphs; however, given that:

- (a) the project belongs to Respondent No.1,
- (b) it is registered before this Authority, and
- (c) the Complainant alleges allotment and payment under said project,

this Authority cannot accept Respondent No.1’s contention that the Complainant is a “stranger” to him. The objection is therefore untenable.

34. Coming to the objection of Respondent No.2, his submission is that the complaint is not maintainable because he is not registered as a “real estate agent”. This Authority is constrained to observe the surprising nonchalance in such a submission, for it entirely misconceives the scheme of the RE(R&D) Act.

35. Section 2(zm) of the RE(R&D) Act defines a “real estate agent” expansively, covering any person who negotiates, facilitates, or acts on behalf of another in transactions involving sale of plots/apartments, and receives remuneration for such services. Section 9(1) mandates that no person shall facilitate the sale or purchase of any part of a registered project without being duly registered as a real estate agent.

36. The obligation is thus cast upon the agent to obtain registration, and failure to do so does not grant immunity from proceedings; rather, it constitutes a statutory violation. For reference, Section 2(zm) of the RE (R & D) Act, 2016 reads as follows:

“real estate agent” means any person, who negotiates or acts on behalf of one person in a transaction of transfer of his plot, apartment or building, as the case may be, in a real estate project, by way of sale, with another person or transfer of plot, apartment or building, as the case may be, of any other person to him and receives remuneration or fees or any other charges for his services whether as a commission or otherwise and includes a person who introduces, through any medium, prospective buyers and sellers to each other for negotiation for sale or purchase of plot, apartment or building, as the case may be, and includes property dealers, brokers, middlemen by whatever name called;

Section 9(1) of the RE(R&D) Act, 2016 further provides that:

(1) No real estate agent shall facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being the part of the real estate project registered under section 3, being sold by the promoter in any planning area, without obtaining registration under this section.

37. In his own submissions, Respondent No.2 admits that he functions as an independent marketing agent, procures plots from companies through agreements of sale, and thereafter sells these plots to customers. Such conduct, prima facie, goes beyond that of a mere facilitator. For context section 2(zk) of the RE(R&D) Act, 2016;

(v) Any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale; or (vi) such other person who constructs any building or apartment for sale to the general public.

Explanation -- For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the persons who sells apartments or plots are different persons, both of them shall be deemed to be the promoters and shall be jointly

liable as such for the functions and responsibilities specified, under this Act or the rules and regulations made thereunder;

38. Thus, a person who sells units in a project while projecting it as his own, advertises the RERA registration as though it pertains to his project, and markets and sells multiple plots even if he is not the original developer squarely falls within the statutory definition of a 'Promoter.' The admitted conduct of Respondent No.2, who purchases and thereafter sells plots/units to allottees, is nothing but the performance of promoter functions. His acts are, in substance and effect, those of a Promoter and not of a marketing agent or real estate agent as proclaimed, thereby bringing him fully within the regulatory fold of the RE(R&D) Act.

39. In view of the foregoing statutory framework and factual admissions, Respondent No.2 cannot claim that the complaint is not maintainable merely because he is not a registered real estate agent. His actions bring him squarely within the ambit of RE(R&D) Act. Accordingly, both objections raised by the Respondents on maintainability are rejected, and the complaint is held to be maintainable against both Respondent No.1 and Respondent No.2.

Point II

40. Respondent No.1 contends that it neither executed any Agreement of Sale with the Complainant nor received any portion of the sale consideration, and that no authority oral or written was ever conferred upon Respondent No.2 to market, book, allot, or register flats in the "Tulasi Lake Front" project. It is therefore argued that all documents issued by Respondent No.2 are unilateral, unauthorized, and not binding on Respondent No.1. Respondent No.2, on the other hand, admits having executed the Agreement of Sale and having issued receipts in his own name, while also conceding that he had no authorization from Respondent No.1 and acted solely as an independent marketing agent.

41. Upon examination of the record, this Authority notes that the Complainant has not substantiated any material to demonstrate that the transactions with Respondent No.2 were undertaken on behalf of Respondent No.1. There is no linkage of payments, no trail of funds received by Respondent No.1, no communication of allotment, and no documentary indication that Respondent No.2 acted under instructions or authority of Respondent No.1 in case in hand. Every document relied upon by the Complainant whether receipts, the Agreement of Sale, or assurances emanates exclusively from Respondent No.2.

42. In the absence of any documentary nexus, it cannot be construed that Respondent No.1 had privity with the Complainant or that Respondent No.2 acted as his representative in this

transaction. Respondent No.2 himself admits that he used to “purchase plots and thereafter sell them,” thereby shifting between the roles of an agent and a promoter, rendering his submissions regarding his actual capacity vague and inconsistent. However, such ambiguity in Respondent No.2’s self-portrayal does not create liability upon Respondent No.1 unless supported by evidence which is wholly absent in the given complaint.

43. It is further noted that Block 25, from which the initial allotment was allegedly offered, is not a registered block under the project. The Complainant has also not explained how such a substantial amount was paid to Respondent No.2, who is neither the registered promoter of the project nor shown to have authority under Section 4 of the RE(R&D) Act. This Authority has consistently cautioned allottees to exercise due diligence and to avoid making payments to third parties unconnected with the registered promoter.

44. Considering the documents placed on record, it is the considered view of this Authority that Respondent No.1 cannot be held liable either for refund or for registration of the unit in favour of the Complainant, as no payment has been made to Respondent No.1, no allotment has been issued by Respondent No.1, and no contractual or representative relationship between Respondents No.1 and No.2 has been established in the present case.

45. Conversely, Respondent No.2, who acted as a promoter, executed the Agreement of Sale in his own name, described himself therein as the vendor/owner, allotted the unit, assured the Complainant of such allotment, and collected the entire sale consideration. Having assumed the role and responsibilities of a promoter for the purpose of this transaction, Respondent No.2 shall be solely responsible for the consequences arising from failure to hand over possession of the said unit.

Point II is answered accordingly.

Point III

46. The Complainant seeks refund of the total sale consideration of ₹16,50,000/- along with interest. The material on record unequivocally establishes that there exists no privity of contract between the Complainant and Respondent No.1. Respondent No.1 has consistently asserted without contradiction that it neither executed any Agreement of Sale with the Complainant nor received any portion of the sale consideration, nor authorised Respondent No.2 to market, negotiate, allot, or conclude any transaction concerning Block 25 or Block 4 of the “Tulasi Lake Front” project.

47. As already observed, there is a complete absence of contractual nexus, authorization, or financial involvement linking Respondent No.1 to the questioned transaction. Consequently, Respondent No.1 cannot be saddled with liability for refund or any consequential relief. The claim for refund therefore lies exclusively against Respondent No.2, who independently executed the Agreement of Sale, collected the entire sale consideration, and acted without lawful authority or registration under the RE(R&D) Act, 2016.

48. As per Section 18 further provides that:

“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.”

49. Attention is drawn to the decision in **Civil Appeal Nos. 6745-6749 of 2021, M/s Newtech Promoters and Developers Private Limited vs. State of UP & Others, the Hon’ble Supreme Court observed:**

"Section 18(1) of the Act spells out the consequences if the promoter fails to complete or is unable to give possession of an apartment, plot, or building in terms of the agreement for sale. The allottee/home buyer holds an unqualified right to seek a refund of the amount with interest as prescribed."

50. Respondent No.2, in both his oral and written submissions, has attempted to justify his actions by claiming that he was under the “impression” that Respondent No.1 would grant permission to negotiate or conclude transactions. However, he concedes that no such approval was ever obtained. His submissions are mutually contradictory a) at one stage he denies being a real estate agent, b) at another he claims to have purchased plots and resold them, c) and simultaneously he describes himself in the Agreement of Sale as the “vendor,” “agreement holder,” and “absolute owner.”

Such inconsistent and evasive stand only reinforces the conclusion that Respondent No.2 has indulged in unfair trade practices, misrepresentation, and unauthorized collection of funds.

51. This Authority notes that similar violations by Respondent No.2 have been dealt with earlier. In Complaint No. 264 of 2024, this Authority declared Respondent No.2 a “defaulter.” The relevant extract reads:

“35... Accordingly, Respondent No.1 is hereby declared to be a “defaulter” both in its capacity as a “promoter” and as an “agent” within the meaning of Sections 2(zk) and 2(zm) of the RE(R&D) Act, 2016. As a consequence, the Respondent shall be prohibited from undertaking, advertising, marketing, booking, selling, or registering any new real estate project or acting as a real estate agent within the jurisdiction of this Authority until such time as all existing dues, refunds, interest, penalties, and regulatory compliances are fully discharged to the satisfaction of this Authority”

52. Notably, Block 25, from which Respondent No.2 purported to allot a unit, is not a registered block under the project. Having no legal right, title, or authority over the said block, Respondent No.2 could not have allotted any unit therein. Allotting or selling units in an unregistered project component is a serious violation of the Act. In the present proceedings, Respondent No.2 has also expressed willingness to settle the relief claimed by the Complainant. Since the Complainant seeks refund, Respondent No.2 is directed to forthwith honour the settlement and discharge, without delay, all amounts lawfully due.

53. Accordingly, in exercise of powers under Section 18(1) of the RE(R&D) Act, 2016, this Authority holds that Respondent No.2 is liable to refund the entire sale consideration received from the Complainant, along with interest at the rate of the current highest marginal cost of lending rate of the State Bank of India (8.75%) plus 2%, aggregating to 10.75% per annum. Interest shall accrue from the date of execution of the Agreement of Sale, i.e., 09.01.2021, until the actual date of realization.

54. Further, Respondent No.2’s actions:

- a) allotting a unit in an unregistered block,
- b) misrepresenting himself as promoter/owner,
- c) collecting amounts without authority, and
- d) conducting business in total disregard of the RE(R&D) Act, 2016.
- e) constitute grave violations amounting to unfair trade practices and misrepresentation.

55. Accordingly, this Authority finds Respondent No.2 in violation of the provisions of the Act, and hereby directs the Secretary, Telangana RERA, to initiate proceedings for imposition of penalty under Section 38, read with Section 61 of the RE(R&D) Act, 2016, with the approval of the Authority.

56. Further, this Authority deems it necessary to caution Respondent No.1. In any registered real estate project, if any real estate agent, intermediary, or person acting as a de facto promoter advertises, markets, or represents the project as though it were his own, the registered promoter cannot remain a passive or silent spectator. Respondent No.1, as the promoter on record, is not expected to be blindsided or to later contend lack of awareness, absence of authorization, or non-involvement. This Authority will not countenance a posture of silence or inaction from a registered promoter when such misleading practices occur in respect of its project. Any failure on the part of the promoter to take timely protective measures may attract appropriate regulatory consequences in future cases.

Point No. III is answered accordingly

I. Directions of the Authority:

57. This Authority, vide the powers vested under Section 37 of the RE (R&D) Act, 2016, passes the following directions:

- i. The objections raised by Respondent No.1 and Respondent No.2 regarding maintainability are rejected. The Authority holds that the present complaint is maintainable as against both Respondents, in light of the admitted actions of Respondent No.2 and the overall regulatory framework governing registered projects.
- ii. Based on the material placed on record, the Authority holds that no privity of contract, authorization, or financial linkage has been established between the Complainant and Respondent No.1. Respondent No.1, therefore, cannot be fastened with liability for refund or for any allotment-related relief when no payment has been made to him, nor any allotment or commitment originated from him. However, the Authority issues a formal caution to Respondent No.1 that, as the registered promoter, he is under a statutory obligation to exercise vigilance and to take prompt corrective measures in cases of unauthorized advertising or misrepresentation by third parties. Respondent No.1 shall not adopt a posture of silence or inaction and is expected to lodge appropriate complaints and issue public notices wherever necessary to safeguard homebuyers.
- iii. The Respondent No. 2 is further directed to refund the entire amount of ₹16,50,000/- (Rupees Sixteen Lakhs Fifty Thousand only), along with interest at the rate of 10.75% per annum (SBI MCLR of 8.75% + 2%), calculated from Agreement of sale dated 09.01.2021 until the date of actual refund. The aforesaid refund, along with accrued interest, shall be paid within thirty (30) days from the date of receipt of this order.

iv. Respondent No.2 is further found to have committed serious violations—

- a) allotting a unit in an unregistered block,
- b) misrepresenting himself as promoter/owner,
- c) collecting money without legal authority, and
- d) engaging in unfair trade practices.

Accordingly, the Secretary, Telangana RERA, is directed to initiate proceedings for imposition of penalty against Respondent No.2 under Section 38 read with Section 61 of the RE(R&D) Act, with approval of the Authority.

v. The Authority reiterates that allottees shall exercise caution and ensure payments are made only to the registered promoter or duly authorised entities.

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

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

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

TELANGANA REAL ESTATE REGULATORY AUTHORITY