

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

Complaint No. 809 of 2025

Dated: 3rd August 2026

Quorum: **Sri Laxmi Narayana Jannu, Hon'ble Member**
Sri K. Srinivasa Rao, Hon'ble Member

Paripalli Rakesh Reddy

*H.No.4-87, Pothireddipalli Village,
Veenavanka Mandal, Karimnagar,
Telangana-505129*

...Complainant

AND

M/s Lakshmi Ganapathi Construction and Developers

*H.No.11-6-400/1/1, Cherukuthota Colony,
Opp Narayana College, Dilsukhnagar,
Saroornagar, Ranga Reddy District-500 035*

Represented by authorized signatory

1. Chaduvu Rajender Reddy

*H. No7-4-39, Employees Colony,
Jammikunta Village and Mandal,
Karimnagar District-505122*

2. Pulluri Sampath Rao

*H.No.6-3-41/A/8, Ganesh Nagar,
Jammikunta Village and Mandal,
Karimnagar District-505122*

3. Tadaka Yadagiri

*H.No.526, PVT Market,
Kothapet, Hyderabad-500035*

...Respondents

The present matter filed by the Complainants detailed hereinabove came up for hearing before this Authority in the presence of the Complainants in person and the representative of the Respondent. Upon hearing their submissions, this Authority proceeded to pass the following **ORDER:**

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

A. The brief facts of the case, as stated by the Complainants, are as follows:

3. It was submitted that the Complainant entered into a transaction with the Respondent for purchase of a residential plot together with construction of a house thereon. According to the Complainant, various amounts were paid to the Respondent between November, 2022 and February, 2023 towards the total consideration agreed between the parties.

4. The Complainant submitted that an amount of ₹10,00,000/- (Rupees Ten Lakhs only) was paid on 12.11.2022 through Cheque No. 2166684 vide Receipt No. 01. It was further submitted that an amount of ₹5,00,000/- (Rupees Five Lakhs only) was paid on 11.12.2022 in cash vide Receipt No. 12 and a further amount of ₹10,00,000/- (Rupees Ten Lakhs only) was paid on 11.12.2022 through Cheque No. 000028 vide Receipt No. 13.

5. It was further submitted that the Complainant paid an amount of ₹10,00,000/- (Rupees Ten Lakhs only) on 29.12.2022 in cash vide Receipt No. 16, an amount of ₹7,00,000/- (Rupees Seven Lakhs only) on 21.01.2023 in cash vide Receipt No. 18, an amount of ₹50,000/- (Rupees Fifty Thousand only) on 26.01.2023 through online transfer vide Receipt No. 20, an amount of ₹2,00,000/- (Rupees Two Lakhs only) on 30.01.2023 in cash vide Receipt No. 21, and a further amount of ₹50,000/- (Rupees Fifty Thousand only) on 10.02.2023 through cash/online mode. According to the Complainant, the total amount paid to the Respondent aggregates to ₹45,00,000/- (Rupees Forty-Five Lakhs only).

6. The Complainant submitted that after making the aforesaid payments, the Respondent and its representatives allegedly avoided responding to the Complainant's telephone calls and failed to provide satisfactory updates regarding the progress of construction. According to the Complainant, attempts to meet the Respondent and its representatives personally were unsuccessful.

7. It was further submitted that upon visiting the project site, the Complainant did not find substantial construction activity and observed only loading and unloading of construction material. According to the Complainant, the progress of construction was not commensurate with the representations allegedly made by the Respondent at the time of collecting the amounts.

8. The Complainant further alleged that the Respondent failed to complete construction

of the house within the promised timeline and that the quality of construction undertaken was substandard. According to the Complainant, the delay in completion of the house and the status of the construction caused loss of confidence in the Respondent's ability to fulfil its commitments.

9. It was submitted that owing to the delay in completion of construction and the uncertainty regarding delivery of the house, the Complainant decided to cancel the transaction and sought refund of the amounts paid to the Respondent.

10. The Complainant further submitted that the delay in completion of construction constitutes a violation of the provisions of the Real Estate (Regulation and Development) Act, 2016 and alleged that the Respondent failed to complete the project in accordance with the promised specifications. The Complainant also alleged that the Respondent was facing financial constraints affecting completion of the project.

11. It was further submitted that the Complainant is presently facing financial hardship as the amounts paid to the Respondent were arranged through personal borrowings and loans from third parties, who are now demanding repayment. According to the Complainant, in the absence of refund from the Respondent, the Complainant is unable to discharge the said liabilities.

12. Aggrieved by the delay in completion of construction, non-handover of the house, and non-refund of the amounts paid, the Complainant approached this Authority seeking appropriate reliefs under the provisions of the Real Estate (Regulation and Development) Act, 2016.

B. Relief Sought

13. Accordingly, the Complainant sought the following relief:

- i. *To direct the Respondent to refund an amount of ₹45,00,000/- (Rupees Forty-Five Lakhs only) paid by the Complainant, together with interest at the rate prescribed under the provisions of the Real Estate (Regulation and Development) Act, 2016 and the Rules made thereunder, from the respective dates of payment till realization.*

C. Reply filed by the Respondent

14. The Respondent submitted that the subject plot was sold to the Complainant and the

sale deed was duly registered in favour of the Complainant on 17.02.2023. It was further submitted that the building permission in respect of the subject property was obtained on 27.08.2024.

15. The Respondent contended that the construction of the house has already been completed and that the Respondent has also carried out certain modifications and alterations as requested by the Complainant during the course of construction.

16. According to the Respondent, after completion of the brickwork and woodwork, the Complainant requested closure of the northern side door and sought provision of a window in its place. It was further submitted that the Complainant subsequently requested enlargement of the said window and that all such modifications were carried out by the Respondent without claiming any additional charges.

17. The Respondent submitted that photographs depicting the completed status of the house have been placed on record in support of its contention that the construction has been completed and the house is ready for occupation.

18. The Respondent denied the allegations that the Complainant's communications were ignored and contended that all calls and communications made by the Complainant were duly responded to. It was further alleged that despite the same, the Complainant has been making unfounded allegations against the Respondent and posting adverse comments on social media platforms.

19. The Respondent further submitted that the Complainant himself has stated in the complaint that he is facing financial difficulties and that the present dispute appears to have arisen on account of such financial constraints rather than any deficiency on the part of the Respondent.

20. It was further submitted that the construction of the house stands completed, the property has already been registered in the name of the Complainant, and the house is ready for occupation. According to the Respondent, in view of the completed registration and completion of construction, the request for cancellation of the transaction is not feasible.

21. The Respondent, however, submitted that it shall abide by any directions that may be issued by this Authority in accordance with law.

22. Accordingly, the Respondent prayed that the complaint be dismissed and such further orders be passed as this Authority may deem fit and proper in the circumstances of the case.

D. Rejoinder filed by the complainant

23. The Complainant denied the averments made in the reply filed by the Respondent except to the extent specifically admitted and contended that the Respondent has attempted to portray the transaction as a mere sale of a plot, whereas the transaction also involved construction and delivery of a residential house.

24. It was submitted that the Respondent had represented to prospective purchasers that residential houses would be constructed and delivered as part of the project and that the Respondent had admitted the same during the course of proceedings. According to the Complainant, the transaction was not confined to sale of a plot alone but included construction of a residential house pursuant to the agreement entered into between the parties.

25. The Complainant further submitted that the construction agreement was executed on 12.11.2022 and that the Respondent had collected the entire sale consideration of ₹45,00,000/- (Rupees Forty-Five Lakhs only) prior to registration of the plot. According to the Complainant, the plot was subsequently registered in his favour after receipt of the entire consideration amount.

26. It was further submitted that the Respondent failed to adequately respond to the Complainant's queries regarding progress of construction and completion of the project. According to the Complainant, when enquiries were made regarding completion of the work and payment of rent allegedly agreed between the parties, satisfactory responses were not furnished by the Respondent.

27. The Complainant denied the contention that the construction was complete and ready for occupation. According to the Complainant, the project remains incomplete and the quality of construction is unsatisfactory. It was further alleged that several amenities and facilities required for comfortable occupation have not been provided.

28. The Complainant further submitted that during visits to the project site, he noticed activities and conditions which, according to him, raised concerns regarding safety and management of the project. It was also contended that there was no proper office facility

available at the site for addressing customer grievances and queries.

29. With regard to the alleged modifications carried out by the Respondent, the Complainant submitted that no structural modifications or changes in design were requested. According to the Complainant, the only request made was for removal of the northern side door, which had allegedly been communicated during the brickwork stage itself. The Complainant contended that the issue arose due to improper alignment of the said door with the remaining doors in the house.

30. The Complainant further submitted that the investment in the subject property was made utilizing personal savings as well as funds borrowed through personal loans and hand loans. According to the Complainant, the delay in completion of the project has resulted in financial hardship, mental stress, and loss of valuable time.

31. It was further contended that the Respondent collected the entire sale consideration before obtaining the requisite permissions and prior to registration of the plot. According to the Complainant, the Respondent also failed to hand over the house within the agreed timeline and had induced the transaction through representations which were subsequently not fulfilled.

32. The Complainant further submitted that under the terms of the agreement, the Respondent was required to pay rent until completion and handover of the house. According to the Complainant, no such rent has been paid by the Respondent despite the delay in completion of construction.

33. It was further submitted that owing to the conduct of the Respondent and the circumstances surrounding the transaction, the Complainant is no longer willing to continue with the project or reside in the venture.

34. Accordingly, the Complainant reiterated his request that the transaction be cancelled and that the Respondent be directed to refund the entire amount paid together with interest at the rate prescribed under the provisions of the Real Estate (Regulation and Development) Act, 2016. The Complainant further sought appropriate action against the Respondent for the alleged misrepresentations made in relation to the project and the transaction.

35. The Complainant therefore prayed that the complaint be allowed and such other orders be passed as this Authority may deem fit and proper in the circumstances of the case.

E. Points to be considered

36. Based on the facts and circumstances placed before this Authority, the following questions arise for adjudication:

- I. Whether the Respondent has violated any provision of the Real Estate (Regulation and Development) Act, 2016?
- II. Whether the Complainant is entitled to the reliefs sought? If so, to what extent?

F. Observations

Point I

37. This Authority proceeds to examine whether the Respondents have violated any provision of the Real Estate (Regulation and Development) Act, 2016.

38. Turning to the facts of the present case, it is an admitted and undisputed position that the Respondents obtained RERA registration for the development of a plotted layout project. The project was registered with this Authority bearing Registration No. P02700006863 for "*Aditya Green Homes*", which is registered as plotted development project. was similarly granted for the development of a plotted layout, and not for the construction of individual villas or a villa township project.

39. However, a careful examination of the facts placed on record by both parties reveals a glaring and significant contradiction between the statutory permissions obtained by the Respondents and the actual nature of the project as conceived, marketed, and executed by them. It unambiguously establishes that the Respondents, from the very inception of the project, conceived and intended to develop not a mere plotted layout, but a comprehensive villa township project complete with constructed villas.

40. The Respondents' own conduct, from their marketing strategy to their contractual arrangements with the buyers, irrefutably demonstrates that the true and underlying nature of the project was always that of a villa development project. The project was advertised, marketed, and sold to the public under the name "*Aditya Green Homes*," with promotional materials, brochures, and model houses. The Respondents collected amounts not only towards the purchase of plots but also towards the construction of villas and other infrastructure. The mandatory and interlinked construction contracts entered into with the allottees were not

incidental to the plotted development; they were the very essence of what was promised and delivered to the buyers.

41. The material placed on record further reveals that the Respondents publicly advertised the project "Aditya Green Homes" as a residential villa development and not as a mere plotted layout. The advertisement issued by the Respondents proclaimed, inter alia, "*Congratulations to all the customers who made the launching offer at Aditya Green Homes a success. Another amazing offer for a few lucky people! Customers who book a house between December 2nd and 12th, 2022, will receive a one-kilo silver gift.*" The advertisement prominently depicted multiple completed villa units and expressly invited prospective purchasers to "book a house" in the project. Significantly, the advertisement made no reference whatsoever to the project being a plotted development. The representations made by the Respondents in the public domain therefore clearly demonstrate that the project was conceived, promoted, and marketed as a residential villa project comprising constructed houses and not merely as a layout consisting of saleable plots.

42. It is therefore evident that while the Respondents obtained permissions and RERA registration only for a plotted layout development, they simultaneously advertised, marketed, sold, and executed the project as a villa development project. The advertisements issued by the Respondents, the construction agreements entered into with purchasers, the collection of amounts towards construction of residential houses, and the actual execution of villa units collectively establish that the true nature of the project was that of a villa development. The permissions obtained from HMDA and the RERA registration secured by the Respondents pertained exclusively to the development of a plotted layout and did not extend to, or authorise, the construction and sale of villas as part of a villa township project. By proceeding to develop, market, and sell a villa project under the cover of a plotted layout registration, the Respondents have circumvented the regulatory framework contemplated under the RE(R&D) Act, 2016.

43. The conduct of the Respondents cannot be viewed as a mere irregularity in nomenclature or a technical discrepancy in the manner of registration. The evidence on record unmistakably establishes that the Respondents deliberately obtained registration before this Authority for a plotted development project, while simultaneously conceiving, advertising, marketing, booking and executing an altogether different project, namely, a residential villa township comprising constructed villas. The registration granted by this Authority authorised

only the development of a plotted layout. It did not authorise the Respondents to project the development before the public as a villa community or to invite purchasers to acquire constructed villas under the umbrella of such registration.

44. This Authority is of the considered opinion that such conduct amounts to a clear case of misrepresentation before the regulatory authority as well as the purchasing public. A promoter cannot be permitted to secure statutory approval for one class of real estate project while commercially exploiting an entirely different class of project. Such a course of conduct defeats the very statutory scheme of the Real Estate (Regulation and Development) Act, 2016, which is founded upon transparency, truthful disclosure and informed decision-making by prospective allottees. The regulatory framework under the Act proceeds on the premise that the nature of the project disclosed before the Authority is identical to the project that is thereafter advertised, marketed and sold to the public. Any deviation from that fundamental premise strikes at the very root of the statutory mechanism established under the Act

45. The Explanation to Section 7 of the Act defines "unfair practice" to include any deceptive practice adopted for promoting the sale or development of a real estate project, including the making of any representation, whether in writing or by visible representation, which falsely represents that the promoter possesses an approval or authorisation which, in fact, does not exist. In the present case, the Respondents projected the development as a residential villa community, invited purchasers to book houses, displayed model villas, entered into construction agreements and collected consideration towards construction, all while relying upon a registration which pertained only to a plotted development project. Such representation inevitably conveyed to prospective purchasers that the villa project itself stood duly approved and registered under the Act, when no such registration had ever been obtained in regards with the Villa project community. This conduct squarely falls within the ambit of an unfair trade practice as contemplated under the Explanation to Section 7 of the Act.

46. The Respondents were under a continuing statutory obligation to make complete, true and accurate disclosures regarding the nature of the real estate project proposed to be developed and offered for sale. Having consciously represented the project before this Authority as a plotted development, the Respondents could not thereafter transform the very character of the project into a villa township without obtaining the requisite registration for such development. Permitting such conduct would enable promoters to circumvent the regulatory safeguards embodied under the Act by obtaining registration for one form of development while

commercially exploiting another, thereby depriving allottees of the statutory transparency and protections to which they are lawfully entitled. Such an interpretation would render the regulatory mechanism under the Act wholly illusory and cannot therefore be accepted.

47. Consequently, this Authority holds that the Respondents have adopted an unfair trade practice within the meaning of the Explanation to Section 7 of the Act by misrepresenting the nature of the project before the Authority and before prospective purchasers. The Respondents have further proceeded to advertise, market, invite persons and develop a residential villa project without obtaining registration for such project under Section 3 of the Act. The conduct of the Respondents constitutes a deliberate circumvention of the statutory framework governing registration and disclosure under the RE(R&D) Act, 2016 and is liable to be dealt with in exercise of the powers of this Authority under Section 38 of the Act.

Point I is accordingly answered in the affirmative.

Point II

48. Having examined the question of violations, this Authority now proceeds to examine the Complainants' entitlement to the reliefs sought.

49. This Authority has already recorded its findings under Point No. I that the Respondent conceived, marketed and developed the project as a villa development and not as a mere plotted layout. The material available on record, including the Respondent's own pleadings, further establishes that construction of the villa was in fact undertaken by the Respondent. The Respondent has specifically pleaded that the construction stands completed, that certain modifications requested by the Complainant during the course of construction were also carried out, and has placed photographs of the completed villa on record. Thus, the fact that construction was undertaken by the Respondent does not admit of any serious dispute

50. It is equally not in dispute that the subject plot has already been conveyed in favour of the Complainant by way of a registered Sale Deed dated 17.02.2023. Further, the Building Permit issued by the competent municipal authority also stands in the name of the Complainant. These documents clearly demonstrate that title to the plot has already passed to the Complainant and that a residential villa has been constructed thereon. Therefore, the present dispute is not with regard to the existence of construction or transfer of the plot, but relates to the contractual obligations allegedly governing such construction.

51. However, while the Complainant asserts that a total amount of ₹45,00,000/- was paid towards both the plot and construction of the villa, no construction agreement, specification schedule, cost break-up, memorandum of understanding, work order, or any other document setting out the terms governing the construction has been placed before this Authority. The registered Sale Deed itself records the consideration relatable to the conveyance of the plot, but does not disclose the contractual terms, agreed specifications, scope of work, construction consideration, or the obligations allegedly undertaken by the Respondent in relation to construction. In the absence of such documentary evidence, this Authority is unable to determine the precise contractual obligations undertaken by the Respondent or whether any breach thereof has occurred.

52. The mere production of payment receipts aggregating to ₹45,00,000/- cannot, by itself, enable this Authority to conclude that the entire amount represented consideration payable under a construction contract or that the Respondent has become liable to refund the same. Once the plot has already been conveyed by a registered instrument and the villa has admittedly been constructed, any direction for refund can only be founded upon the contractual terms governing the construction component. In the absence of the agreement defining the rights and obligations of the parties, this Authority cannot undertake an adjudication regarding the quantum payable or issue a direction for refund merely on the basis of oral assertions.

53. In view of the foregoing discussion, this Authority is of the considered opinion that although the plot has been conveyed in favour of the Complainant and the construction of the villa has admittedly been undertaken by the Respondent, the contractual foundation governing such construction, including the agreed specifications, scope of work, quality standards, consideration payable therefor, and the obligations of the respective parties, has not been established by cogent documentary evidence. In the absence of such material, this Authority cannot determine whether there has been any contractual breach warranting refund of the amount claimed or adjudicate upon the quantum, if any, payable by the Respondent. Consequently, the Complainant has failed to establish entitlement to the relief of refund of ₹45,00,000/- as prayed for, and the said relief is accordingly declined.

G. Directions of the Authority

54. In light of the discussions and findings made hereinabove, this Authority, vide its powers under Sections 37 and 38 of the RE (R&D) Act, 2016, issues the following directions:

- i. This Authority holds that the Respondents have undertaken, advertised, marketed and developed a residential villa project without obtaining registration for such project under Section 3 of the Real Estate (Regulation and Development) Act, 2016, and have further adopted an unfair trade practice, as contemplated under the Explanation to Section 7 of the Act, by obtaining registration for a plotted development while representing and promoting the project before prospective purchasers as a residential villa community.
- ii. Accordingly, for the aforesaid contraventions of the provisions of the RE(R&D) Act, 2016, the Respondents are held liable for regulatory action under the Act and are hereby directed to pay a penalty of ₹28,10,592/- (Rupees Twenty-Eight Lakh Ten Thousand Five Hundred and Ninety-Two Only), payable within 30 (Thirty) days from the date of receipt of this Order, in favour of TG RERA through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036.
- iii. The Respondents shall strictly comply with the provisions of the RE(R&D) Act, 2016 and shall refrain from advertising, marketing, booking or selling any real estate project in a manner inconsistent with the registration granted by this Authority or otherwise adopting any unfair trade practice in relation thereto.
- iv. Failure to comply with this Order within the stipulated period shall entail appropriate action under Section 63 of the Real Estate (Regulation and Development) Act, 2016.
- v. In view of the above, the present complaint is disposed of. No order as to costs.

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

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