

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 189/2024

Complaint No. 195/2024

Complaint No. 196/2024

Complaint No. 288/2024

Complaint No. 311/2024

Dated: 3rd November 2025

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

Beccun Life Style Cultural Association

(Rep by President, Gamidi Rama Chandra Rao Flat No.101, VM Residency, Mythrivan Colony, Old Bowenpally, Secunderabad - 500011)

...Complainants

Versus

Beccun Infrastructures Limited

(Rep by Prashant Kumar Puram (Managing Director) and Ratan Prasad (CEO and Authorised Signatory), Office at 102, Model House, Panjagutta, Hyderabad – 500082)

...Respondents

The present matter, filed by the Complainant Association, came up for hearing on before this Authority, in the presence of Sri G.Sumanth Kumar, Sri P Srinivas Reddy and Sri K Sai Chaitanya, learned counsels for the Complainants, and S/Shri B.N. Radhakrishna Yadav, B. Murlidhar Yadav, and B. Sreelatha, learned counsels appearing on behalf of the Respondent. Upon perusal of the material placed on record, and after hearing the submissions advanced by both parties, and the matter having stood over for consideration till this day, the following order is passed:

ORDER:

2. The present matter comprises a batch of complaints instituted by the Complainant Association, wherein all its members are allottees/purchasers of units in the project titled “Beccun Life Style”. The Association, over time, has filed multiple complaints in Form ‘M’ before this Authority a total of five in number as the strength of its membership increased subsequent to the filing of the initial complaint. To ensure inclusion of all newly inducted members of the Association as Complainants, separate complaints were preferred. However, the underlying facts, reliefs sought, and Respondent’s pleadings in all such complaints are substantially similar.

3. Considering the commonality of issues involved and upon a specific request made by the Complainant Association, and there being no objection raised by the Respondent to such course of action, all the complaints have been clubbed together and are being adjudicated by way of a **common order**.

4. The present set of complaints have been filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as “the RE(R&D) Act”), read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as “the TG RE(R&D) Rules”), seeking appropriate directions and reliefs against the Respondent in respect of the project in question.

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

5. The present complaints have been filed by the Complainants, who are members of the Flat Owners Association comprising purchasers of units in the project titled “*Beccun Life Style*”, developed by M/s Beccun Lifestyle Infrastructure Ltd., situated at Kompally, Hyderabad.

6. The said project is a registered real estate project under the provisions of the Real Estate (Regulation and Development) Act, 2016, bearing Registration No. P02200001308. In addition to this, the project also includes extensions for Block A and Block E, registered separately under Registration No. P02200008689.

7. The grievance of the Complainants primarily revolves around inordinate delays and lack of transparency in the execution of the project. It is alleged that despite the lapse of more than four years since their respective bookings, construction activity in Blocks A, A Extension, D, and E has not commenced, and not a single brick has been laid in these blocks. While Respondent had initially assured early completion, all work was subsequently halted without any valid justification or intimation to the allottees.

8. The Complainants submit that repeated attempts were made to contact the Respondent’s office to seek clarity regarding the delay; however, no satisfactory responses were provided, and the Respondent's representatives failed to provide any definitive status or timeline for completion.

9. It is further alleged that the Respondent engaged in unauthorized and unlawful sale of flats beyond the sanctioned limits. Specifically, units were sold to several allottees on the 8th, 9th, and 10th floors of Blocks A, B, C, D, and E, and similar unauthorized sales were made in

Block A Extension and Block E up to 7 floors, despite the fact that, as per the approved building plans and promotional brochures, the Respondent was only permitted to construct four blocks with a maximum of 7 floors each.

10. The Complainants aver that more than 100 purchasers had invested in the project between 2019 and 2021, based on the Respondent's commitment to complete the project within two years. However, even after the passage of nearly five years, no meaningful progress has been made in the aforementioned blocks. It is submitted that in the last two years, the Respondent has only managed to construct Blocks B and C up to the 7th floor, and beyond that, construction has come to a standstill. The persistent inaction and non-responsive approach of the Respondent have caused grave concern and apprehension among the members of the Association with respect to the eventual completion of the project.

11. The Complainants allege that the Respondent appears to lack the requisite financial resources to complete the project and is suspected to have diverted or misused the funds collected from the allottees. In this context, the Association has sought the intervention of this Authority to ensure the completion of the project and to direct the Respondent promoter to comply with its obligations under the RE(R&D) Act.

12. It is further submitted that several allottees, having already paid more than 50% of the total sale consideration, are entitled to receive compensation in the form of rent due to the delay. The Respondent is also accused of failing to update the project status regularly on the RERA web portal, in violation of the statutory requirement under the RE(R&D) Act.

13. It is further submitted that after filing of the complaints before this Authority, the Complainants began receiving threats and notices allegedly aimed at intimidating them into withdrawing their complaints. The Complainants also allege that the Respondent arbitrarily invoked the "force majeure" clause to justify price escalations and misrepresented internal discussions as official meetings, thereby misleading the allottees into believing that the increased cost was mutually agreed upon.

14. Additionally, the Respondent is stated to have taken coercive steps towards unilaterally terminating several Agreements for Sale and threatening forfeiture of amounts already paid by the purchasers. It is also alleged that the Respondent collected payments for unauthorized flats without securing necessary permissions or executing valid Memoranda of Understanding (MoUs) or Agreements of Sale.

15. The Complainants submit that the Respondent continues to demand additional payments under the pretext of invoking Clauses 14, 15, and 16 of the Agreement for Sale, all under the guise of “force majeure”, which the Complainants contend is being used as a tool to unfairly burden the purchasers and avoid the Respondent’s obligations under the project.

16. The Complainants contend that the Respondent has breached the construction timelines specified in the respective Agreements for Sale, resulting in considerable financial burden and emotional distress for the purchasers.

B. Relief(s) Sought:

17. In view of the aforementioned grievances and submissions, the Complainants have sought the following reliefs from this Authority:

- a) To direct the Respondent to deliver possession of the allotted flats in accordance with the specifications, layout, and amenities as represented in the project brochure and promotional material, including the promised amenities block.
- b) To direct the Respondent to compensate each allottee with a sum of ₹15,000/- per month as rental compensation, owing to the delay in handing over possession, as per the terms of the Agreement for Sale.
- c) To direct the Respondent to immediately execute and register the Sale Deeds before the competent authorities in favour of:
 - i. Allottees who have paid the entire sale consideration, and
 - ii. Allottees who are willing to settle the balance consideration amount for semi-finished units.
- d) To restrain the Respondent from effecting any further sale or marketing of units in the project until such time the Respondent fulfils its obligations toward the existing allottees, particularly those who made payments more than four years ago and are yet to receive possession.
- e) To direct the Respondent to furnish copies of valid approvals and sanctioned building plans concerning:
 - i. Construction of 8th, 9th, and 10th floors in Blocks A, B, C, D, and E;
 - ii. Construction permissions for Block A Extension and Block E.
- f) To direct the Respondent to ensure that the project status is regularly and accurately updated on the RERA website, strictly in compliance with the statutory requirements under the Act and Rules.

- g) To declare all unilateral cancellations of flat bookings and forfeiture of payments made by the allottees as illegal, arbitrary, and in contravention of the RE(R&D) Act. Consequently, to direct the Respondent to withdraw all such cancellation notices and forfeiture demands forthwith.
- h) To direct the Respondent to open a separate, dedicated bank account for this project, wherein:
- i. All payments made by existing and future allottees shall be deposited, and
 - ii. Said account shall be operated under the joint oversight of this Authority and designated members of the Beccun Lifestyle Cultural Association, to ensure that collected funds are used exclusively for completion of the present project and not diverted for any other purpose.
- i) To permit members of the Complainant Association to conduct monthly, peaceful, and physical inspections of the site to monitor construction progress and ensure transparency.
- j) To direct the Respondent promoter and co-promoters to pay interest to allottees for the delay in completion of the project, in accordance with the provisions of Section 18 of the RE(R&D) Act.
- k) In the event the Respondent promoter and co-promoters are found incapable or unwilling to complete the project, to invoke the appropriate provisions of the RE(R&D) Act and take necessary steps including:
- Appointment of a third-party agency or project management consultant,
 - Change in promoter,
 - Or any other suitable measure deemed fit by this Authority to safeguard the interests of the allottees and ensure project completion.

C. Respondent's Reply:

18. The Respondent has filed a detailed counter, wherein the maintainability of the complaint has been challenged at the outset. It is submitted that the present complaint is liable to be dismissed on the ground that it has been filed by a party which lacks locus standi under the provisions of the Real Estate (Regulation and Development) Act, 2016.

19. The Respondent contends that the Complainant association, i.e., Beccun Lifestyle Cultural Association, is neither a “promoter” nor an “allottee” within the meaning of the RE(R&D) Act, and therefore is not competent to file the present complaint. It is submitted that the Association is a cultural body, with objects that are confined to organizing games, cultural

programs, health camps, environmental awareness drives, and related community activities. The Respondent relies on the Association's Byelaws, wherein Clause 3 expressly states that "the Association shall not engage in agitation to ventilate grievances."

20. It is further submitted that the Complainant association has deliberately suppressed its aims and objects, which do not empower it to file or prosecute the present complaint. Hence, the complaint is not maintainable and is liable to be dismissed.

21. It is alleged that the Association has suppressed its objectives and is acting beyond its scope by filing the present complaint on behalf of flat purchasers. The Respondent therefore submits that the Association is a stranger to the contract and has no privity with the Respondent. Consequently, the complaint is not maintainable in law and is liable to be dismissed at the threshold.

22. The Respondent further states that the Association has no direct connection with the Respondent's project and has not been authorized by any registered deed or resolution to initiate legal proceedings on behalf of individual allottees. On this ground as well, the Respondent challenges the jurisdiction of this Authority to entertain the present complaint. Without prejudice to the above, and in response to the allegations on merits, the Respondent submits that the complaint is malicious and has been filed solely to tarnish the reputation of the company and to extort money by creating public unrest.

23. It is alleged that the members of the said Association have been actively interfering with the progress of the construction. They are stated to have installed hoardings and cautionary signboards around the project site, thereby deterring visitors, labourers, and vendors. The Respondent alleges that this interference resulted in the exit of several labourers and site engineers, causing severe disruption to ongoing construction activities.

24. The Respondent submits that these actions have led to reputational damage, and have dissuaded financial institutions from extending further funding to the project, despite prior sanction letters. It is submitted that these obstructions and the publication of interim orders in newspapers were done deliberately to create fear and mistrust among prospective purchasers and financiers.

25. The Respondent denies the allegation that payments were collected for unauthorized flats or those sale agreements or MoUs were withheld. It is submitted that all transactions were

conducted in accordance with applicable rules and permissions. Further, the project is duly registered with RERA and the construction is progressing within the permitted timelines. The Respondent highlights that:

- For Blocks A and E Extensions, the RERA-approved completion date is 29.09.2027; and
- For the main project, the completion date is 2025.

26. It is contended that the purchasers are also under a legal obligation to make payments in accordance with the terms of the Agreements for Sale. The Respondent alleges that certain individuals associated with the Association, without knowledge of these facts, have levelled unfounded accusations and are using the complaint process as a means of harassment.

27. The Respondent further alleges that individuals such as G. Ramachander Rao, K. Govardanam, and others have continuously created nuisance at the project site. It is stated that on 26.08.2024, these persons disrupted construction and issued threats to workers, following which a police complaint was lodged with Pet Basheerabad Police Station.

28. It is also submitted that, in light of continued agitation, a meeting was convened between the Respondent and the Complainants. Minutes of the said meeting, according to the Respondent, record that the complainants undertook not to interfere with construction activities and assured timely payment of their respective dues. It was further agreed that in the event of default, the Respondent would be at liberty to issue demand notices and initiate cancellation proceedings as per the terms of the Agreement for Sale.

29. The Respondent submits that the complainants failed to honour these commitments. When dues remained unpaid and site interference continued, the Respondent was compelled to issue demand notices followed by cancellation of agreements. The Respondent asserts that such actions are in accordance with the law and contractual terms, and cannot be interfered with by this Authority, especially since no prayer for setting aside validly executed cancellation notices is maintainable.

30. It is further submitted that on 01.09.2024, the same group again obstructed work at the site by raising untenable demands. In response, the Respondent filed O.S. No. 115 of 2024 before the Hon'ble II Additional District Judge, Medchal-Malkajgiri District, seeking injunctive relief. The suit is presently pending.

31. The Respondent reiterates that the project is under active construction and is being carried out in line with sanctioned plans and RERA timelines. It is specifically denied that there is any liability to pay rent, register sale deeds, or execute any documents at this stage, especially when the possession timelines have not yet expired.

32. The Respondent denies all remaining allegations regarding fund diversion, illegal sale, arbitrary cancellation, and invocation of force majeure clauses, and submits that these allegations are made recklessly, without legal basis or supporting evidence. It is contended that the documents filed by the Complainant are not legally valid, and the identities of several signatories are questionable. Hence, on facts and on law, the complaint is devoid of merit and deserves to be dismissed in limine.

Interim Directions: On 11.11.2024, this Authority issued interim directions restraining the Respondent from creating any third-party interest over 78 units in the concerned project.

D. Points for Determination:

33. Upon a thorough examination of the pleadings, documents placed on record, and after considering the arguments advanced by the parties, the Authority is of the considered view that the following issues arise for determination in the present matter:

1. Whether the Complainant Association has the requisite *locus standi* to maintain the present Complaint before this Authority?
2. Whether the Complainants are entitled to the reliefs as sought in the Complaint, including:
 - a) Whether any relief can be granted in respect of the units which have already been encumbered by way of registered Agreements of Sale/AGPAs?
 - b) Whether the Complainants are entitled to a direction against the Respondent to complete the project as per the representations made in the Brochure and to hand over possession in accordance with the terms of the executed Agreements of Sale?
 - c) Whether the Respondent is liable to furnish the sanctioned plans and approvals, if any, obtained from the competent authority in respect of the 8th, 9th, and 10th floors of Blocks A, B, C, D, F, and the extensions of Blocks A and E, and what is the legal status of the allottees who have been allotted flats on the said floors, in case such floors are found to be unauthorized?

- d) Whether the unilateral cancellations of the Agreements of Sale by the Respondent are legally sustainable, and whether the Respondent is liable to register the units in favour of allottees who have paid the total consideration or are willing to do so?
 - e) Whether the Complainants are entitled to compensation under the provisions of the RE(R&D) Act or the terms of the Agreement?
 - f) Whether the Complainants are entitled to interest for delay, if any, in completion or delivery of possession?
 - g) Whether the Complainants are entitled to a direction for creation and operation of a separate designated account for the project in terms of the provisions of the Act?
 - h) Whether appropriate directions are to be issued with regard to the alleged change in the Promoter?
3. Whether the Respondent has violated any of the provisions of the Real Estate (Regulation and Development) Act, 2016 and the rules and regulations made thereunder?

E. Observations of the Authority:

Point 1: Whether the Complainant Association has the requisite locus standi to maintain the present Complaint before this Authority?

34. The Respondent has raised a preliminary objection challenging the locus standi of the Complainant Association, contending that it is merely a cultural association and, therefore, not legally competent to institute proceedings under the Real Estate (Regulation and Development) Act, 2016. It is further alleged that the Complainant has suppressed this material fact and hence, the present Complaint is not maintainable and liable to be dismissed at the threshold.

35. This Authority, however, is unable to accept the preliminary objection raised by the Respondent. In this regard, it is pertinent to refer to Section 31(1) of the Act, which provides as under:

“Any aggrieved person may file a complaint with the Authority or the adjudicating officer, as the case may be, for any violation or contravention of the provisions of this Act or the rules and regulations made thereunder against any promoter allottee or real estate agent, as the case may be.”

Explanation.-- For the purpose of this sub-section "person" shall include the

association of allottees or any voluntary consumer association registered under any law for the time being in force.

36. Further, as per Rule 2(1)(b) of the Telangana Real Estate (Regulation and Development) Rules, 2017, the term “association of allottees” is defined as:

"a collective of the allottees of a real estate project, by whatever name called, registered under any law for the time being in force, acting as a group to serve the cause of its members, and shall include the authorized representatives of the allottees."

37. A cumulative reading of the above statutory provisions makes it evident that a collective body formed by allottees of a project by whatever name called if registered under any law for the time being in force and acting collectively to serve the cause of its members, qualifies as an association of allottees competent to maintain a complaint under the RE(R&D) Act.

38. In the present case, it is not in dispute that the Complainant Association comprises allottees of the same project and has been formed with the objective of representing their collective interests and grievances. Though the Association may not be registered under the Telangana Societies Registration Act, it stands registered under another valid enactment and is demonstrably functioning to safeguard the collective rights of its members.

39. It is also relevant to note Section 11(4)(e) of the RE(R&D) Act on the promoter to enable the formation of an association, society, or co-operative society of allottees. The proviso to this section makes it clear that, in the absence of a local law, even a majority of allottees shall have the right to form such an association.

40. If the Respondent desired that a formal society be registered under the Societies Registration Act, it was incumbent upon the promoter to facilitate such registration in compliance with its statutory obligation. Having failed to do so, the Respondent cannot now be permitted to take advantage of its own omission to question the legal standing of the Complainant Association.

41. This Authority is further of the view that there is no legal impediment to a collective of allottees uniting to present their common grievances before this forum. The expression “association of allottees” under the Act does not prescribe registration under any particular

statute, but merely requires that the association be legally valid and represent the collective cause of the allottees which, in the present case, stands duly established.

42. Accordingly, this Authority holds that the Complainant Association possesses the requisite locus standi to maintain the present Complaint. The preliminary objection raised by the Respondent is, therefore, rejected.

43. The Complaint is held to be maintainable, and the Complainant Association is recognized as a competent and representative body for the purpose of adjudicating the grievances raised herein.

Point 1 answered accordingly

Point 2:

Whether the Complainants are entitled to the reliefs as sought in the Complaint, including:

a) Whether any relief can be granted in respect of the units which have already been encumbered by way of registered Agreements of Sale/AGPAs?

44. The Complainant Association has brought to the attention of this Authority that twelve units, namely: B-103, B-205, B-307, B-406, B-408, B-702, B-708, C-103, C-105, C-206, C-408, and C-707, which were previously allotted to members of the Complainant Association, have been subsequently encumbered by the Respondent by way of registered Agreements of Sale/AGPAs with third parties.

45. It is submitted that while the Respondent had earlier entered into Agreements for Sale with the complainant allottees for the aforementioned units, the same units were subsequently sold to third parties through registered documents executed in the year 2024. Crucially, the Respondent has not offered any explanation or justification in their reply for this conduct, thereby indicating deliberate suppression and bad faith.

46. On careful examination of the Encumbrance Certificates and documents placed on record, this Authority finds prima facie evidence that the Respondent has committed a double sale of the said units first to the complainant allottees and thereafter to third parties without lawful cancellation or termination of the original agreements.

47. This conduct of the Respondent is in blatant violation of Section 11(4) of the RE(R&D) Act, which places a statutory obligation upon the promoter to comply with the terms of the Agreement for Sale and to discharge all duties, responsibilities, and functions in accordance with the Act, rules, and regulations made thereunder. Section 11(4)(a) to (d) imposes clear accountability upon the promoter to act transparently, deliver possession as agreed, and refrain from transferring units already allotted.

48. The Respondent's silence in their reply regarding these serious allegations further reinforces the inference of mala fide intent. No evidence has been produced to show that the earlier agreements with the complainant allottees were not cancelled, nor has the Respondent furnished any material to indicate default on the part of those allottees. In the absence of any such evidence, the Respondent's conduct amounts to a wilful breach of statutory duty and a fraudulent misrepresentation of title to the same unit.

49. If such conduct is condoned merely on the ground that the units now stand registered in favour of third parties, it would open the floodgates for repeated misuse by promoters, who could enter into multiple agreements for the same unit and escape liability through technical encumbrance. Such mischief is precisely what the RERA framework seeks to prevent to protect the interest of genuine homebuyers and eradicate malpractices in the real estate sector.

50. Therefore, although the specific units originally agreed to be sold to the complainant allottees now stand encumbered, the Respondent cannot be absolved of liability. In the interest of equity and in furtherance of the objectives of the RE(R&D) Act, the Respondent is hereby directed to:

- i. Allot an alternate, unencumbered unit of comparable size, specifications, and value within the same project to each of the affected allottees, in substitution of the originally allotted units, and at the same consideration agreed under the original Agreement for Sale.
- ii. The selection of such alternate units shall be undertaken in consultation with the affected allottees and shall be completed within 30 days from the date of this Order. However, in the event that no alternate units are available within the project which fact shall be duly substantiated by the Respondent through copies of executed Agreements for Sale and encumbrance certificates the Respondent shall refund the entire amount received from such allottees along with applicable interest under

Section 18(1)(a) of the Real Estate (Regulation and Development) Act, 2016. It is further observed that the Respondent had willfully engaged in double sale and encumbrance of the said 12 units despite having entered into prior Agreements for Sale with the concerned allottees. Such conduct constitutes a clear violation of the provisions of the Act. Accordingly, in such cases, interest shall be computed from the respective dates of receipt of amounts from those allottees and shall be paid within 45 days from the date of this Order.

b) Whether the Complainants are entitled to a direction against the Respondent to complete the project as per the representations made in the Brochure and to hand over possession in accordance with the terms of the executed Agreements of Sale?

51. The Authority has carefully examined the submissions advanced by both parties, the documents placed on record, and the relevant provisions of the Real Estate (Regulation and Development) Act, 2016. It is not in dispute that the complainant allottees had executed Agreements for Sale with the Respondent during the period 2019 to 2021. Each such agreement contained a specific stipulation that the Respondent would complete construction and deliver possession within 36 months from the date of execution, subject to reasonable extensions permitted under the law.

52. However, as admitted by the Respondent itself, construction activity in Blocks A, D and E and in the extensions of Blocks A and E has not commenced even after more than four years from the date of booking. The Respondent has attributed the delay to non-payment by purchasers, site interference, and financial constraints allegedly caused by agitation and negative publicity. The Authority finds such explanations neither convincing nor supported by cogent evidence.

53. The Respondent has relied upon the RERA-registered timelines, contending that the main project's revised completion date is August 2025, and that the extensions have a valid registration till 29.09.2027. While registration validity provides a statutory outer limit, it cannot override the binding contractual obligations voluntarily undertaken by the promoter under the respective Agreements for Sale. The contractually committed possession date is an assurance to the allottee, and delay beyond that period, without any substantiated force majeure event, constitutes a breach attracting consequences under Section 18(1)(a) of the RE(R&D) Act.

54. It is observed from the record that the registration of the main project stands lapsed as on 30.07.2025. The Respondent has obtained an extension only in respect of Block A and Block B (Extension portions), and not for the project as a whole. As such, while certain portions continue to have valid registration, the main project is deemed to have lapsed by efflux of time.

55. The Complainants have not invoked Section 8 of the RE(R&D) Act, which respectively deal with completion of remaining development works either by the competent Authority or the Association of Allottees. The relief sought in the present complaint is confined to a direction for the Respondent to complete the project in accordance with the sanctioned plans and the contractual commitments.

56. In the ordinary course, upon lapse of registration, this Authority is empowered under Section 8 of the RE(R&D) Act to entrust the remaining development work to the Association of Allottees or to such competent authority. However, in the instant case, the Association has categorically shown no interest to undertake the project's completion on its own, and has instead requested that the Authority substitute the promoter. This Authority reiterates that substitution of a promoter is not an administrative act but a statutory consequence that can arise only upon following the due process prescribed under Sections 7 and 8.

57. In the present case, the Respondent has given a clear undertaking during the proceedings that it is ready and willing to complete the project in its entirety. The Complainants have also expressed their consent to such completion, provided it is time-bound and under the supervision of this Authority. Accordingly, the Authority deems it appropriate to afford a final opportunity to the Respondent to fulfill its obligations in a time-bound manner.

58. Therefore, Respondent No.1 is hereby directed to submit, within thirty (30) days from the date of this Order, a comprehensive roadmap indicating the proposed plan for completion of the project. Such roadmap shall clearly specify the construction phases, activity-wise timelines, and milestones, and shall be strictly in conformity with the provisions of the Real Estate (Regulation and Development) Act, 2016, and the Telangana Real Estate (Regulation and Development) Rules, 2017.

59. The Authority emphasizes that the completion of the project and delivery of possession are matters of utmost public importance, as they directly involve the hard-earned savings of

numerous homebuyers. The Respondents are, therefore, directed to ensure that all pending works are duly completed and possession is delivered within the timeframe to be approved by this Authority.

60. The Authority shall monitor compliance through periodic progress reports to be filed every three months, failing which appropriate action under the provision of RE(R&D) Act may be initiated.

61. Thus, while granting this limited opportunity, the Authority makes it clear that any further default or failure by the Respondent to adhere to the timelines shall automatically attract consideration under Section 8 for the purpose of ensuring project completion through alternate means in the larger interest of the allottees.

62. Therefore, the Respondent is squarely liable to complete the project strictly in accordance with the sanctioned plans, approved specifications, and the timelines stipulated herein, and to hand over possession to allottees without any further delay or deviation.

c) Whether the Respondent is liable to furnish the sanctioned plans and approvals, if any, obtained from the competent authority in respect of the 8th, 9th, and 10th floors of Blocks A, B, C, D, F, and the extensions of Blocks A and E, and what is the legal status of the allottees who have been allotted flats on the said floors, in case such floors are found to be unauthorised?

63. Under Section 11(4)(a) of the Real Estate (Regulation and Development) Act, 2016, the promoter is mandatorily required to develop the project strictly in accordance with the sanctioned plans, layout plans, and specifications approved by the competent authority, and to fulfill all obligations as per the Agreement for Sale executed with the allottees. This statutory duty is not merely directory but forms the core obligation of the promoter under the RE(R&D) Act.

64. Upon scrutiny of the material placed on record, this Authority observes that the Respondent has marketed and sold units situated on the 8th, 9th, and 10th floors of Blocks A, B, C, D, F, and on the extended portions of Blocks A and E, despite there being no sanctioned building permission for such construction beyond the 7th floor. This clearly indicates that the Respondent indulged in misrepresentation to the allottees that such extensions were part of the approved plan. Such conduct amounts to a gross contravention of Sections 14 and 11(4)(a) of

the RE(R&D) Act and undermines the very object of the legislation, which is to ensure transparency and accountability in real estate development.

65. As regards the legal status of the allottees who were allotted units on the unsanctioned floors, it is settled law that no rights can accrue in respect of a structure raised without valid sanction. Consequently, this Authority cannot direct delivery of possession or issue any recognition for such units, as they have no legal existence under the approved plans. Nevertheless, being a beneficial legislation designed to safeguard the interests of homebuyers, this Authority deems it just and equitable to direct the Respondent to offer alternate units of equivalent area, configuration, and value within the sanctioned portion of the project, subject to availability, and at no additional cost to the affected allottees.

66. In the event that no such alternate units are available, or if the allottee does not find the offered option acceptable, the concerned allottee shall be entitled to a refund of the entire amount paid, together with interest as prescribed under Section 18(1)(a) of the RE(R&D) Act read with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017. The interest shall be calculated from the respective dates of payment till the date of refund, and the entire process shall be completed within a period of forty-five (45) days from the date of this Order.

d) Whether the unilateral cancellations of the Agreements of Sale by the Respondent are legally sustainable, and whether the Respondent is liable to register the units in favour of allottees who have paid the total consideration or are willing to do so?

67. The Respondent has admitted to having issued cancellation notices to certain allottees on the ground of non-payment of instalments. However, the Respondent has failed to place on record any documentary evidence substantiating that prior demand notices, reminders, or intimations were issued to such allottees in accordance with the payment schedule prescribed in the executed Agreements for Sale. No proof of communication, notice of default, or opportunity to cure such default has been produced before this Authority.

68. In this regard, Section 11(5) of the Real Estate (Regulation and Development) Act, 2016, categorically provides that the promoter shall not cancel the allotment except in accordance with the terms of the Agreement for Sale and only after giving due notice to the

allottee. Any unilateral cancellation without adherence to the contractual and statutory process is therefore void and unenforceable in law.

69. Simultaneously, Section 19(6) of the RE(R&D) Act imposes upon every allottee the duty to make payments in accordance with the terms of the Agreement for Sale, and to pay interest for any delay in payment. The Authority recognizes that the promoter's rights under the said provision remain intact, provided that construction progress at site is commensurate with the stage-linked payment obligations.

70. It is a settled principle that where construction activity is stalled or substantially delayed, the promoter cannot insist upon payment of further instalments, as the obligation of payment is inherently reciprocal to the promoter's obligation to progress construction. Hence, unless the Respondent demonstrates visible and proportionate progress at site, the allottees cannot be held to have defaulted merely for withholding payments.

71. In cases where genuine default by an allottee is established, the Respondent shall be entitled to claim interest for delayed payment in accordance with the terms of the Agreement for Sale and the rate prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017. However, unilateral cancellation of allotments without issuing due demand notice and without following the procedure laid down under the Agreement for Sale constitutes a violation of Section 11(5) of the RE(R&D) Act.

72. Accordingly, all unilateral cancellations effected by the Respondent without compliance with due process are hereby set aside. The rights of the affected allottees are restored forthwith. The Respondent may, if so warranted by facts, issue proper demand notices in accordance with the contractual terms and, if despite such notice the allottee fails to rectify the default within the stipulated period, only then may the Respondent exercise the right to cancel, in strict conformity with the law.

73. In respect of those allottees who have paid the entire sale consideration amount, or who are ready and willing to do so upon completion, the Respondent is directed to execute and register the Sale Deeds in their favour within forty-five (45) days from the date of this Order.

i) Whether the Complainants are entitled to compensation under the provisions of the RE(R&D) Act or the terms of the Agreement?

j) Whether the Complainants are entitled to interest for delay, if any, in completion or delivery of possession?

74. The two issues being interlinked in nature are examined conjointly.

75. At the outset, it is imperative to reiterate that the Real Estate (Regulation and Development) Act, 2016 is a beneficial legislation enacted with the twin objectives of ensuring completion of projects and securing the rights of homebuyers. The overarching intent of the Act is not merely punitive, but remedial and corrective to restore trust, ensure accountability, and promote the expeditious completion and delivery of projects to their rightful allottees. Therefore, while determining relief, this Authority is required to strike a judicious balance between the statutory entitlements of the allottees and the overarching public interest in securing project completion.

76. Under Section 18(1)(a) of the RE(R&D) Act, every allottee is entitled to receive interest for any delay in handing over possession beyond the agreed date, until the actual date of possession. The rate of such interest is prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, and is binding upon the promoter as a statutory obligation. Conversely, claims for compensation such as reimbursement towards rent, inconvenience, or mental agony fall squarely within the ambit of Section 71, to be adjudicated exclusively by the Adjudicating Officer appointed under the Act. Accordingly, this Authority does not possess jurisdiction to quantify or adjudicate claims relating to compensation (e.g., rent @ ₹15,000/- per month) sought by the Complainants, and such claims, if pursued, may be appropriately placed before the Adjudicating Officer.

77. As regards the claim for interest on delayed possession, it is evident from the record that the project has suffered prolonged stalling due to a combination of financial constraints, incomplete funding cycles, and the cessation of the earlier SWAMIH Fund process. The Respondent has also admitted to liquidity challenges that have hindered the pace of construction. The Authority recognizes that immediate enforcement of interest obligations at this stage may further erode the Respondent's limited financial capacity, thereby frustrating the larger purpose of the RE(R&D) Act, which is to ensure completion and possession rather than liquidation or abandonment of the project.

78. Having regard to these circumstances, and in exercise of the powers conferred under Sections 35, 37, and 38 of the RE(R&D) Act, this Authority is of the considered view that the ends of justice would be best served by deferring the enforcement of interest payment while ensuring that the promoter remains under an unequivocal obligation to complete and deliver possession within a clearly defined timeframe.

79. Accordingly, the Authority views that, The Respondent shall complete the entire project in accordance with the sanctioned plans and approved specifications within stipulated period as granted by this Authority based on the roadmap submitted by the Promote and ensure that all necessary occupancy and completion certificates are duly obtained from the competent authority. The Respondent shall hand over possession of the respective units to all eligible allottees immediately upon receipt of the occupancy certificate. The interest liability accruing under Section 18(1)(a) of the Real Estate (Regulation and Development) Act, 2016, read with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, shall continue to subsist for each allottee until the actual date of possession. However, in order to balance the interest of timely project completion and to avoid a situation where immediate large-scale disbursement of funds may adversely impact the construction progress and thereby jeopardize the interests of all allottees at large, the payment of such interest shall stand deferred. The Respondent shall discharge the cumulative interest liability within a period of three (3) months from the date of handing over possession, in three (3) equal monthly instalments, and shall pay the same directly to the concerned allottees. The said interest shall be computed from the date of possession as stipulated in the Agreement of Sale till the actual date of handing over possession.

k) *To direct the Respondent to open a separate, dedicated bank account for this project, wherein:*

- iii. *All payments made by existing and future allottees shall be deposited, and*
- iv. *Said account shall be operated under the joint oversight of this Authority and designated members of the Beccun Lifestyle Cultural Association, to ensure that collected funds are used exclusively for completion of the present project and not diverted for any other purpose.*

80. Under Section 4(2)(l)(D) of the Real Estate (Regulation and Development) Act, 2016, every promoter is statutorily mandated to deposit seventy percent (70%) of the amounts

realized from allottees, from time to time, in a separate account maintained with a scheduled bank, to cover the cost of construction and the land cost of that specific project. The said amount shall be utilized only for that project and withdrawn by the promoter to the extent of the percentage of completion of the project, duly certified by an engineer, architect, and chartered accountant.

81. This provision is a core financial safeguard mechanism of the RE(R&D) Act, designed to prevent diversion of funds, ensure ring-fencing of project finances, and secure completion within the declared timelines. Hence, compliance with Section 4(2)(l)(D) is not optional but a mandatory continuing obligation on the part of the promoter.

82. In the instant case, the Respondent has claimed that a separate RERA-designated project account has already been maintained; however, no verifiable evidence such as bank statements, auditor certifications, or utilization reports have been produced before this Authority to substantiate that the said account has been operated strictly in accordance with statutory requirements.

83. In view of the foregoing, and in order to restore financial transparency and confidence among the allottees, this Authority does not deem it necessary to direct the opening of a new bank account. However, it finds it imperative to impose financial oversight over the existing RERA-designated project account. Accordingly, the following directions are issued:

- i. The Respondent shall continue to operate the existing RERA-designated project account strictly in terms of Section 4(2)(l)(D) of the RE(R&D) Act.
- ii. Notwithstanding the statutory threshold of seventy percent (70%), the Respondent shall deposit one hundred percent (100%) of all amounts realized from existing and future allottees into the said dedicated account. Such funds shall be exclusively utilized for completion of the present project and for no other purpose whatsoever.
- iii. The Respondent shall submit monthly bank statements and utilization certificates, duly certified by the project's chartered accountant, to the Association of Allottees and to the Secretary, Telangana RERA. The Authority may, if necessary, call for inspection or verification of the same at any time.
- iv. Any diversion or misutilization of funds from the RERA dedicated project account shall render the Respondent liable for penal action under Sections 60 and 61 of the RE(R&D) Act, in addition to any other consequences as may be deemed appropriate by this Authority.

l) To permit members of the Complainant Association to conduct monthly, peaceful, and physical inspections of the site to monitor construction progress and ensure transparency.

84. The Authority recognizes that transparency and accountability in project execution are central to the objectives of the Real Estate (Regulation and Development) Act, 2016. Under Section 19(1) and (5), every allottee has a statutory right to obtain information relating to the sanctioned plans, stage-wise construction progress, and other relevant approvals of the project. Correspondingly, under Section 11(4)(a), the promoter is bound to make such information available and ensure that allottees are kept informed of the progress of the project.

85. In light of these provisions, the Authority considers it reasonable that allottees be permitted to satisfy themselves of the construction status through orderly and peaceful access to the project site. The Respondent, being the promoter, cannot unreasonably restrict such access, provided that visits do not interfere with safety protocols or disrupt ongoing work.

86. Accordingly, the following directions are issued:

- i. The Respondent shall establish a Grievance and Communication Cell at the project site within four (4) weeks from the date of this Order, duly staffed with a responsible site official, to address allottees' queries, concerns, and grievances relating to construction, documentation, or site access.
- ii. Members of the Beccun Lifestyle Cultural Association, or any authorized representative of the allottees, may undertake monthly site inspections, with prior intimation to the Grievance Cell, solely for the purpose of monitoring construction progress. Such visits shall be conducted peacefully and without obstructing any ongoing work or violating safety norms.
- iii. The Respondent shall maintain an inspection register, recording each visit, observations made, and actions taken.
- iv. The Grievance Cell shall acknowledge and respond to any written grievance within 48 hours, and where a grievance is found genuine, ensure rectification within a reasonable time not exceeding 15 working days, unless prevented by justifiable cause.
- v. The allottees and their Association are also directed to cooperate with site management, respect construction boundaries, and refrain from any conduct that could impede lawful work or site safety.

n) In the event the Respondent promoter and co-promoters are found incapable or unwilling to complete the project, to invoke the appropriate provisions of the RE(R&D) Act and take necessary steps including appointment of a third-party agency or project management consultant, change in promoter, or any other suitable measure deemed fit by this Authority to safeguard the interests of the allottees and ensure project completion.

87. The Authority takes note of the concerns expressed by the Complainant Association regarding the Respondent's capability and willingness to complete the project. While the Association suggested that this Authority may consider changing the promoter or appointing an alternate agency for completion, it is observed that no formal application or representation has been made under Section 8 of the Real Estate (Regulation and Development) Act, 2016, nor have the allottees expressed any willingness or readiness to assume the responsibility of completing the project through their Association.

88. Under the scheme of the Real Estate (Regulation and Development) Act, 2016, the invocation of Section 8 arises only upon revocation or lapse of project registration under Section 7, pursuant to which the Authority may take such measures as necessary for ensuring project completion, including through the association of allottees or appointment of a competent agency. In the present case, although the project registration has technically lapsed, the Respondent has furnished a categorical undertaking before this Authority expressing willingness to complete the project within a reasonable extended period, if such extension is permitted. The Complainants have also consented to such course of action during the hearing. It is further observed that at no stage have the allottees either sought or expressed readiness to assume the responsibility of completing the project themselves.

89. Accordingly, the mere prayer that this Authority should "change the promoter" cannot be entertained. The Authority cannot, on its own volition, appoint or substitute a new promoter in the absence of statutory preconditions or a structured proposal from the allottees. Should the Association genuinely seek to assume responsibility for completion, it must come forward with a comprehensive roadmap and completion plan in accordance with the procedure contemplated under Section 8 of the RE(R&D) Act, rather than seeking a blanket direction to replace the existing promoter.

90. However, to safeguard the interests of the allottees, this Authority grants the Complainant Association the liberty to approach this Authority afresh under Section 8 in the event that the Respondent once again fails to complete the project within the newly prescribed

timeframe. Such application, if filed, shall be considered on its own merits and in accordance with law.

Point 2 answered accordingly.

Point 3:

Whether the Respondent has violated any of the provisions of the Real Estate (Regulation and Development) Act, 2016 and the rules and regulations made thereunder?

91. Upon a careful consideration of the findings recorded under Point No. 2 and the material placed on record, this Authority proceeds to examine the statutory compliance of the Respondent under the provisions of the Real Estate (Regulation and Development) Act, 2016.

92. It is observed that the Respondent has failed to adhere to the obligations imposed under Section 11(4)(a) of the RE(R&D) Act, which mandates the promoter to perform all functions and responsibilities as per the terms of the agreement for sale executed with the allottees. The Respondent has neither completed the project within the stipulated timeframe as promised under the said agreements nor taken any effective steps to complete the same even after the validity period of registration has lapsed. The project continues to remain incomplete, thereby causing undue hardship to the allottees.

93. Further, it has come to the notice of this Authority that the Respondent, in utter disregard to the sanctity of the executed agreements for sale, has proceeded to alienate and register certain units in favour of third parties, despite subsisting agreements with existing allottees. Such conduct amounts to a clear violation of the promoter's fiduciary duty under Section 11(4)(a) and the principle of fair dealing envisaged under the RE(R&D) Act.

94. It is also observed that the Respondent has failed to obtain an extension of project registration as mandated under Section 6 of the Real Estate (Regulation and Development) Act, 2016, despite being fully aware that the project remained incomplete beyond the validity period of registration. Instead of seeking extension in accordance with law, the Respondent allowed the registration to lapse without furnishing any justification before this Authority. Furthermore, the Respondent has failed to file the mandatory Quarterly Progress Reports (QPRs) as required under Section 11(1)(b) of the said Act and Rule 17 of the Telangana Real Estate (Regulation and Development) Rules, 2017, notwithstanding the issuance of show cause notices dated 01.02.2024 and 17.05.2024 by this Authority. Such failure constitutes a clear violation of the

promoter's continuing obligation to furnish accurate and up-to-date project information on the official RERA web portal, thereby undermining the transparency framework envisaged under the RE(R&D) Act and depriving allottees and the general public of vital project-related disclosures.

95. Moreover, this Authority finds that the Respondent has violated Sections 12 and 14 of the RE(R&D) Act, by making false representations and material misstatements to the allottees regarding the construction of the 8th, 9th, and 10th floors of the project, which were not sanctioned by the competent authority. The Respondent not only collected amounts from allottees towards such unsanctioned units but also executed agreements for sale in respect thereof, thereby misleading the purchasers and indulging in deceptive practices. Such conduct strikes at the very foundation of the RE(R&D) Act, which is aimed at promoting accountability and transparency in the real estate sector. The same also falls within the ambit of unfair practice as envisaged under section 7(1)(c)(A) wherein it is clear that if a promoter makes a false or a misleading representation or represents that the promoter has approval or affiliation which such promoter does not have constitutes an unfair trade practice.

96. In view of the above findings, this Authority directs the Secretary, Telangana RERA, to immediately initiate steps under Section 61 of the RE(R&D) Act, for imposition of appropriate penalty upon the Respondent, subject to the approval of the Authority, for the aforesaid violations.

97. While doing so, the Authority deems it necessary to observe that despite the multiple violations established herein, a stringent action has not yet been initiated, solely in consideration of the welfare of the allottees, whose life savings and hard-earned investments are tied up in the project. The Authority, keeping the larger public interest in mind, is affording the Respondent an opportunity to complete the project and deliver possession. However, it is made explicitly clear that any further inaction or failure on part of the Respondent to complete the project within the time as may be stipulated hereafter shall compel this Authority to initiate ti declare the Respondent-promoter a defaulter under the Real Estate (Regulation and Development) Act, 2016.

98. Before parting with this point, this Authority also finds it appropriate to caution allottees and prospective purchasers that prior to investing in any real estate project, they must diligently verify the project details, including the sanctioned plans and registration particulars, on the official RERA web portal. The Real Estate (Regulation and Development) Act, 2016, has been

enacted to ensure transparency, accountability, and informed decision-making in the real estate sector. Failure to verify such crucial information not only defeats the legislative intent of the Act but also exposes purchasers to avoidable risks.

Point 3 answered accordingly.

F. Directions of the Authority:

99. Having regard to the detailed findings recorded on each of the foregoing issues, and in exercise of the powers conferred upon this Authority under Sections 35,37, and 38 of the Real Estate (Regulation and Development) Act, 2016, the following directions are hereby issued in the interest of justice, equity, and transparency:

- 1) The Complainant Association, being a collective body of allottees formed to safeguard the interests of its members, possesses the requisite locus standi to maintain this complaint under Section 31(1) of the RE(R&D) Act.
- 2) The Respondent has indulged in double sale of twelve units. The Respondent shall allot alternate unencumbered units of equivalent value and configuration, or in the absence thereof, refund the amounts with interest under Section 18(1)(a) within forty-five (45) days.
- 3) Respondent No. 1 shall, within thirty (30) days from the date of this Order, submit a comprehensive roadmap for completion of the project, clearly delineating the construction phases, timelines, and milestones. The Respondent shall also submit a detailed financial resource plan, indicating the sources, availability, and proposed utilization of funds required for each phase of construction, strictly in conformity with the provisions of the Real Estate (Regulation and Development) Act, 2016 and the Telangana Real Estate (Regulation and Development) Rules, 2017.
- 4) Units on the 8th, 9th, and 10th floors being unsanctioned, the Respondent shall offer alternate units of equivalent value or refund the entire amount with statutory interest under Section 18 of RE(R&D) Act from the date of receipt of each payment till the actual realization within 90 days from the date of this Order.
- 5) All unilateral cancellations not in conformity with Section 11(5) are set aside. The Respondent shall execute and register Sale Deeds in favour of allottees who have paid or are willing to pay the total sale consideration within forty-five (45) days.
- 6) Where possession of the unit is delayed beyond the agreed date, the Respondent—Promoter shall pay interest under Section 18(1)(a) of the RE(R&D) Act to each affected allottee at the rate prescribed by this Authority, calculated up to the actual date of possession. However, in cases where the concerned allottees have themselves defaulted

in making payments as per the payment schedule stipulated in the Agreement for Sale, such allottees shall be liable to pay interest for delayed payment under Section 19(7) of the RE(R&D) Act. The amount of delayed-payment interest, if any, shall be duly set off and adjusted while computing the net amount payable to the respective allottees under this Order. The accrued total interest amount, after such adjustment shall be payable and the Respondent shall discharge the cumulative interest liability within a period of three (3) months from the date of handing over possession, in three (3) equal monthly instalments, and shall pay the same directly to the concerned allottees, in order to balance the interest of timely project completion and to avoid a situation where immediate large-scale disbursement of funds may adversely impact the construction progress and thereby jeopardize the interests of all allottees at large, the payment of such interest shall stand deferred.

- 7) The Respondent shall continue to operate the existing RERA-designated project account strictly in accordance with the mandate of Section 4(2)(l)(D) of the Real Estate (Regulation and Development) Act, 2016. Notwithstanding the statutory requirement of maintaining seventy percent (70%) of the amounts realized from allottees in the project account, the Respondent is directed to deposit one hundred percent (100%) of all sums received from existing and future allottees into the said account. The said funds shall be exclusively utilized for the completion of the subject project and for no other purpose whatsoever. The Respondent shall, on or before the 10th day of every succeeding month, submit to the Association of Allottees and to the Secretary, Telangana RERA, (a) the statement of account of the RERA-designated project account and (b) the utilization certificate duly certified by the project's chartered accountant.
- 8) A Grievance and Communication Cell shall be established within two (2) weeks from the date of this Order; monthly inspections by the Association shall be permitted in accordance with Paragraph 86 of this Order.
- 9) If the Respondent fails to complete the project within the extended period, the Complainant Association is at liberty to approach this Authority under Section 8 of RE(R&D) Act.
- 10) This Order is passed in exercise of the powers conferred under Sections 35, 37, and 38 of the Real Estate (Regulation and Development) Act, 2016. The Authority expects both parties to extend full cooperation in the execution of this Order to achieve the fundamental object of the RE(R&D) Act the expeditious and transparent completion of real estate projects for the protection of homebuyers' interests.

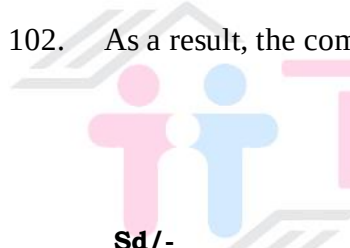
11) The Secretary, TG RERA, is directed to upload a copy of this Order on the RERA-registered webpage of the concerned project, so as to ensure accessibility to all allottees and stakeholders.

12) In view of the contraventions noted under Paragraphs 92 to 97 of this Order, the Secretary, Telangana RERA is hereby directed to initiate steps for imposition of penalty under Section 59, 60 and 61 of the RE(R&D) Act against the Respondent, after due approval of the Authority.

100. This Order is passed with the intent to balance regulatory enforcement with consumer protection. The Respondent is reminded that the Authority's indulgence in granting a final opportunity stems solely from the need to safeguard the interests of the allottees whose life savings are invested in the project. Failure to honour this opportunity shall attract immediate action under Sections 7 and 63 of Real Estate (Regulation and Development) Act, 2016.

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

102. As a result, the complaint is disposed of accordingly. No order as to costs.

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

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

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