

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 37 of 2025

01st December 2025

Quorum:

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

Mrs. Maheshwaram Padma

*(W/o Maheshwaram Venkatesh
H. No. 6-69-6/103, KMG Sai Towers, Manikya Nagar,
Chintal, HMT Township, Tirumalagiri, Hyderabad-502032)*

... Complainant

Versus

1. M/s. Bhuvanateza Infraprojects Pvt. Ltd.

*(Rep by MD. Mr. Chekka Venkata Subrahmanyam
H. No. 201, 2nd Floor, Lumbini Amrutha Chambers,
Nagarjuna Circle, Road No. 3, Banjara Hills, Hyderabad-500082)*

2. M/s. Green Metro Infratech & Projects Pvt. Ltd.

*(H. No. 8-2-293/82/A/787,
3rd floor, Apurupa Turbo, Road No. 63,
Near Croma, Jubilee Hills, Hyderabad-500033)*

3. M/s. Tulasi Constructions

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

... Respondents

The present matter filed by the Complainant herein came up for hearing on 09.09.2025 before this Authority. The Complainant was present in person, and Sri G.N. Satyanarayana, learned Counsel for Respondent No.1, and Sri Bramaiah, learned Counsel for Respondent No.2, were present. Respondent No.3 was present in person and upon hearing the submissions advanced by both sides and having reserved the matter for orders, this Authority now proceeds to pass the present **ORDER**:

2. The present Complaint has been filed by the Complainant under Section 31 of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as the “RE (R&D) Act”) read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017

(hereinafter referred to as the “TG RE (R&D) Rules”) seeking appropriate relief(s) against the Respondents.

A. Brief facts of the Case:

3. The Complainant brings the facts of the case before the authority, as she had purchased a flat No. 202, 2nd Floor, 5th Block in the project "TULASI LAKE FRONT" which was developed by Respondent No.2, situated at Suraram Village, Quthbullapur Mandal, Medchal-Malkajgiri District, Telangana, through the developer Respondent No.1 Rep. by its Managing Director, Mr. Chekka Venkata Subrahmanyam, for a total Consideration of Rs. 27,95,000/- (Rupees Twenty-Seven lakhs Ninety-Five thousand only), and the entire consideration was paid to the Respondent No.1 through various dates.

4. In the said transaction paid by Respondent No.1, despite collecting the total consideration from the Complainant, they have not registered the flat and kept on postponing the registration.

5. Furthermore, Respondent No.1 misrepresented to the complainant by claiming they are the project promoters and supplied incorrect documents. In reality, the project is developed by M/s. Green Metro Infratech & Projects Pvt Ltd, and M/s. Bhuvanteza Infra projects Pvt Ltd is a bulk vendor or investor in the project. Even after more than three years, we have not been allotted the said flat from either Respondent No.1 or Respondent No.2 they continue to postpone and provide inadequate responses.

B. Relief Sought

6. In view of the facts mentioned above, the complainant sought the following reliefs:

- To direct the Respondents to register the said flat in favour of the complainant.

C. Counter filed by the Respondent No.1

7. The Respondent No.1 states that the averments in Paras 1 and 2 of the complaint relate merely to the particulars of the parties and require no traverse. The Respondent No.1 further states that the complaint is not maintainable as the alleged grievance does not fall within the jurisdiction of this Hon’ble Authority. Respondent No.1 is only an independent marketing agent who procured plots from various companies under Agreements of Sale and thereafter sold them to customers. There is no written or oral contract or Memorandum of Understanding between Respondent No.1 and Respondent No.2, and therefore no cause of action arises under the Real Estate (R&D) Act, 2016.

8. The Respondent No.1 submitted that he is not a registered real estate agent within the meaning of the Real Estate (R&D) Act, 2016, and consequently the provisions of the Act are inapplicable to him. The Respondent No.1 further states that the Agreement of Sale entered into with the complainant was executed only with the intention of facilitating a potential transaction between the complainant and Respondent No.2. The consideration amount of Rs. 27,95,000/- was received in that context, under the bona fide belief that Respondent No.2 would grant permission for the proposed negotiation, which Respondent No.2 ultimately refused.

9. The Respondent No.1 submits that the failure of Respondent No.2 to grant permission resulted in Respondent No.1 expressing willingness to settle the matter with the complainant. However, Respondent No.1 has been implicated in FIR No. 47/2024 of CCS, Hyderabad, along with other related matters, and all his documents, assets and bank accounts have been seized or frozen. The Respondent No.1 states that his inability to settle the amounts arises solely from such seizure and freezing, and upon de-freezing and release of assets, Respondent No.1 shall be in a position to settle the accounts. Notwithstanding these constraints, efforts are being made to resolve the matter amicably.

10. The reliefs sought by the complainant are beyond the scope and jurisdiction of this Hon'ble Authority, particularly in the absence of any privity of contract between Respondent No.1 and Respondent No.2. The subject matter squarely falls within the domain of criminal law, for which FIR No. 47/2024 has already been registered and investigation is under progress. The Respondent No.1, therefore, prays that further proceedings be dropped, the complaint be dismissed as baseless, and such other order(s) be passed as this Hon'ble Authority deems fit in the interest of justice.

D. Counter filed by the Respondent No.2:

11. The Respondent No.2 firstly contests the jurisdiction of the Authority to entertain the complaint, arguing that the project is still ongoing and has a completion deadline set by RERA for 2028. Therefore, any claims about non-handing over flats or violations of agreements are considered premature and can only be addressed after the project is complete, not during its ongoing phase.

12. The Respondent No.2 strongly denies the adverse claims made by the complainant, emphasizing that the alleged sale consideration was paid to Respondent No.1 and not to Respondent No.2. The sale agreement for the disputed flat was entered into with Respondent

No.1 exclusively, making Respondent No.2 neither a party to the agreement nor a recipient of any consideration. On this basis, they argue that the complainant lacks the locus standi to bring a complaint against them and that there is no privity of contract between the complainant and Respondent No.2 a crucial principle in contract law that restricts legal actions under a contract to its actual parties.

13. Furthermore, Respondent No.2 argues that the alleged transactions were conducted by individuals using their company's name but lacked proper authority or agency. The reply emphasizes that agreements and receipts were issued by third parties, not by Respondent No.2, and any evidence derived from these should not be binding on Green Metro. The respondent states that they have suffered reputational harm due to these actions and intend to seek civil and criminal remedies against those responsible for the false complaint.

14. The Respondent No.2 stated that the allegations of threats made towards the complainant, labeling them as fabricated and motivated for complaint purposes. Regarding the reliefs sought by the complainant, such as direction to register the allotted flat, payment of interest, or issuance of occupancy certificates, the respondent argues these are outside RERA's purview because no contractual relationship or receipt of funds exists. Moreover, the issuance of occupancy certificates is also premature due to the ongoing status of the project.

15. In conclusion, Respondent No.2 requests that the complaint be dismissed, emphasizing that there is no business or legal relationship between the Respondents and the complainant, nor between Tulasi Constructions and Respondent No. 2; therefore, there are no grounds for the case against them.

E. Counter Filed by the Respondent No.3:

16. The Respondent No.3 asserts that generic statements made in the complaint require no reply. The foundation of their defense is that the complainant did not enter into any agreement directly with Respondent No.3; instead, the complainant's agreement was with Respondent No.1, Bhuvanteza Infra Projects Pvt. Ltd., who allegedly did not have authority from Respondent No.3 to make such agreements with the public regarding the property in question.

17. The Respondent No.3 stressed on the point that the Respondent No.1 is not registered as an Agent under the Act, making the provisions of the Act inapplicable to Respondent No.1. There is no contractual link or authorization between Respondent No.3 and Respondent No.1, and Respondent No.3 did not empower Respondent No.1 to enter into agreements, nor act on

its behalf. The respondent further contends that the complainant failed to provide any documentary evidence showing Respondent No.1's authorization or agency status vis-à-vis Respondent No.3, and therefore, Respondent No.3 cannot be liable for any actions or misrepresentations made by Respondent No.1.

18. The Respondent No.3 submitted that the complaint is entirely lacking in any merit, as there is no contractual relationship between the complainant and Respondent No.3, nor any evidence of agency, authority, or involvement. Consequently, Respondent No.3 prays for the complaint to be dismissed, arguing that no relief or direction can be issued against it based on the claims made, which only pertain to the actions of Respondent No.1. The counter ends with a request for all further proceedings to be dropped in the interest of justice.

E. Rejoinder filed by the Complainant

19. The Complainant submits that she filed this complaint against the respondents for claiming the relief of registering Flat No. 202, 2nd Floor, 5th Block in the project called "Tulasi Lake Front" which was developed by M/s. Tulasi Constructions, C/o. Green Metro Infratech Projects Pvt. Ltd, situated at Suraram Village, Quthbullapur Mandal, Medchal Malkajgiri District, Telangana State through their developer M/s. Bhuvanteza Infra projects Pvt. Ltd, represented by its Managing Director, Mr. Chekka Venkata Subrahmanyam. The Complainant has paid the entire total sale consideration of Rs. 27,95,000/- (Rupees Twenty-Seven Lakhs Ninety-Five Thousand Only), and the payments made were as follows:

- i. Rs. 25,000/- (Rupees Twenty-Five Thousand Only) paid by way of online Google Pay transfer dated 17.12.2020 vide Receipt No. 29;
- ii. Rs. 1,75,000/- (Rupees One Lakh Seventy-Five Thousand Only) paid by way of cash dated 24.12.2020 vide Receipt No. 3790;
- iii. Rs. 2,00,000/- (Rupees Two Lakhs Only) paid by way of cash dated 02.02.2021 vide Receipt No. 3163;
- iv. Rs. 3,00,000/- (Rupees Three Lakhs Only) paid by way of cash dated 06.02.2021 vide Receipt No. 3166;
- v. Rs. 3,00,000/- (Rupees Three Lakhs Only) paid by way of cash dated 15.03.2021 vide Receipt No. 4971;
- vi. Rs. 5,00,000/- (Rupees Five Lakhs Only) paid by way of cash dated 03.04.2021 vide Receipt No. 1528;
- vii. Rs. 5,00,000/- (Rupees Five Lakhs Only) paid by way of card swipe dated 03.04.2021 vide Receipt No. 4180;

viii. Rs. 7,95,000/- (Rupees Seven Lakhs Ninety-Five Thousand Only) paid by way of cash and card swipe dated 25.06.2021 vide Receipt No. 4192.

Total: Rs. 27,95,000/- (Rupees Twenty-Seven Lakhs Ninety-Five Thousand Only).

20. The Complainant has paid the full total sale consideration of Rs. 27,95,000/- and entered into an Agreement of Sale dated 28th June 2021, submitted with the original complaint for purchase of the flat, apart from paying the registration amount of Rs. 3,59,400/- (which includes GST and document charges) on 03.09.2022.

21. The Complainant stated that the respondents hatched a plan and in collusion with each other have been harassing her. When she asked them to register the said flat property in her favour, the respondents started threatening and abusing her. They did not allow her to visit their office and the office staff avoided meeting her. They refused to let her meet the respondent managing director and other authorized persons.

22. The Respondents are under the guise of an agreement of sale, received the entire amount from her and on the other hand avoided registering the flat property in her favour. The respondents in collusion intelligently hatched a plan and have been trying to harass her both physically and mentally. They squeezed nearly Rs. 28 lakhs from her, cheated her, and caused her wrongful loss of Rs. 28 lakhs.

23. The Complainant was induced by the representatives of the firms and marketing company, the respondents, to invest in their real estate project. Based on their promises and marketing, she paid a total amount on various dates for the purchase of the flat. Despite having paid the full amount and fulfilled all requirements, the firms and marketing company, the respondents, have failed to register the property in her name till date. Repeated requests and visits to their office have yielded no results. It is now evident that the intention of the respondents was fraudulent from the beginning. The Complainant has reasons to believe that they have cheated multiple other buyers in a similar fashion.

24. The Respondents filed their counter with all false and baseless allegations. On one hand, they received the amounts and cheated her under the guise of an agreement of sale. In their counter, the respondents state that it is denied that Respondent No. 1 is an independent marketing agent who procures plots from companies through agreements of sale and thereafter sells them to customers. They claim there is no written or oral contract or MOU between Respondent No. 1 and No. 2. They further claim that Respondent No. 1 is not a registered agent as per the Real Estate Act 2016.

25. However, the same Respondent No. 1 negotiated with her for the sale of the flat and received the entire sale consideration. They then state that no permission was given to Respondent No. 1 by Respondent No. 2 and that Respondent No. 1 himself gave information that a criminal case was pending against Respondent No. 1 vide FIR No. 47/2024 of PS CCS Hyderabad, that all documents and assets were seized, and bank accounts were frozen, making Respondent No. 1 unable to settle amounts to her. All these are false and vague allegations made by Respondent No. 1, as both respondents have cheated several innocent intending purchasers and defrauded them of amounts.

26. The Complainant is filing this rejoinder to answer the allegations made by the respondents. She is also filing several photographs and other documents to prove that there was a relationship between Respondent No. 1 and 2 companies in the main complaint as well as in the counter in the present petition.

27. The Complainant submitted that the Respondents in their counter made several baseless allegations against her and are trying to abscond from registering the property in her favour. She had no other option but to attach photographs to expose the respondents. Despite this, the respondents are trying to erase the evidence.

28. Further, the allegations made by the Respondents are to gain sympathy by playing the victim card, which they always do. The Respondents have a habit of downgrading others. The entire contents of the counter filed by the Respondents are false. The Complainant is entitled to the relief of her property as she has paid the entire sale consideration and entered into an Agreement of Sale dated 28.06.2021 pertaining to the flat property as claimed in the original complaint.

F. I.A. No. 65 of 2025

29. The Complainant, Smt. Maheswaram Padma, filed the present I.A application seeking permission to amend the cause title of the main complaint by adding M/s. Tulasi Constructions as Respondent No.3, being the developer/promoter of the project "Tulasi Lake Front," situated at Suraram Village, Quthbullapur Mandal, Medchal-Malkajgiri District, Telangana. The Complainant submitted that the said promoter company was inadvertently omitted while drafting the original complaint. Upon perusal of the record and after hearing the Complainant, this Authority finds that the proposed amendment is necessary for proper adjudication of the matter and to avoid multiplicity of proceedings. Accordingly, I.A. No. 65 of 2025 is hereby

allowed, and the Complainant is permitted to amend the cause title of the complaint by adding M/s. Tulsi Constructions as Respondent No.3.

G. Points for consideration:

30. Based on the above facts and circumstances, the following questions arise before this Authority for determination:

- I. Whether the Complaint is maintainable under the provisions of the RE(R&D) Act, 2016?
- II. Whether Respondent No.1 is liable for the actions of Respondent No.2?
- III. Whether the Complainant is entitled to the relief as sought in the Complaint?

H. Observations of the Authority:

31. Upon careful perusal of the documents placed on record and after considering the submissions of both parties, the Complainant paid the total sale consideration of Rs. 27,95,000/- and, accordingly, entered into an Agreement of Sale dated 28.06.2021 for the purchase of Flat No. 202 situated on the 2nd Floor of Block No. 5 in the project titled “Tulasi Lake Front.” At the time of execution of the said Agreement, Respondent No. 1, acting in the capacity of the vendor, offered to sell a residential unit admeasuring 1075 sq. ft., together with the amenities, car-parking along with the proportionate undivided share of land, and the Complainant, as vendee, accepted the said offer and agreed to purchase the above said property.

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

33. Turning first to the objection raised by Respondent No.2, the contention is that the Complainant has no locus standi since no contract exists between them. However, the project “Tulasi Lake Front” is a registered real estate project before this Authority, wherein Respondent No.2 is the Promoter. Once a project is registered and is being advertised, marketed, or offered for sale to the general public, it cannot be assumed that the Promoter is uninformed or disconnected from activities undertaken for the purpose of attracting allottees.

34. This Authority has previously dealt with comparable circumstances. In Complaint No. 32 of 2024 & batch, concerning the project “Tulasi Bhagyanagar”, Respondent No.1 was found to have acted as a marketing agent on behalf of Respondent No.2, executing agreements, collecting consideration, and facilitating sales. The Authority held both Respondents jointly and severally liable notwithstanding absence of a formal written agreement defining their inter-se relationship.

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

- (a) the project belongs to Respondent No.2,
- (b) it is registered before this Authority, and
- (c) the Complainant alleges allotment and payment under said project,

this Authority cannot accept Respondent No.2's contention that the Complainant is a “stranger” to him. The objection is therefore untenable.

36. Coming to the objection of Respondent No.1, his submission is that the complaint is not maintainable because he is not registered as a “real estate agent”. This Authority is constrained to observe the surprising nonchalance in such a submission, for it entirely misconceives the scheme of the RE(R&D) Act.

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

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

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

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

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

39. In his own submissions, Respondent No.1 admits that he functions as an independent marketing agent, procures plots from companies through agreements of sale, and thereafter sells these plots to customers. Such conduct, *prima facie*, goes beyond that of a mere facilitator.

For context section 2(zk) of the RE(R&D) Act, 2016;

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

Explanation -- For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the persons who sells apartments or plots are different persons, both of them shall be deemed to be the promoters and shall be jointly liable as such for the functions and responsibilities specified, under this Act or the rules and regulations made thereunder;

40. Thus, a person who sells units in a project while projecting it as his own, advertises the RERA registration as though it pertains to his project, and markets and sells multiple plots even if he is not the original developer squarely falls within the statutory definition of a ‘Promoter.’ The admitted conduct of Respondent No.1, who purchases and thereafter sells plots/units to allottees, is nothing but the performance of promoter functions. His acts are, in substance and effect, those of a Promoter and not of a marketing agent or real estate agent as proclaimed, thereby bringing him fully within the regulatory fold of the RE(R&D) Act.

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

Point II

42. Respondent No.2 and 3 contends that it neither executed any Agreement of Sale with the Complainant nor received any portion of the sale consideration, and that no authority oral or written was ever conferred upon Respondent No.1 to market, book, allot, or register flats in the “Tulasi Lake Front” project. It is therefore argued that all documents issued by Respondent No.1 are unilateral, unauthorized, and not binding on Respondent No.2. Respondent No.1, on the other hand, admits having executed the Agreement of Sale and having issued receipts in his own name, while also conceding that he had no authorization from Respondent No.2 and acted solely as an independent marketing agent.

43. Upon examination of the record, this Authority notes that the Complainant has not substantiated any material to demonstrate that the transactions with Respondent No.1 were undertaken on behalf of Respondents No.2 and 3. There is no linkage of payments, no trail of funds received by Respondents No.2 and 3, no communication of allotment, and no documentary indication that Respondent No.1 acted under instructions or authority of Respondent No.2 in case in hand. Every document relied upon by the Complainant whether receipts, the Agreement of Sale, or assurances emanates exclusively from Respondent No.1.

44. In the absence of any documentary nexus, it cannot be construed that Respondents No.2 and 3 had privity with the Complainant or that Respondent No.1 acted as his representative in this transaction. Respondent No.1 himself admits that he used to “purchase plots and thereafter sell them,” thereby shifting between the roles of an agent and a promoter, rendering his submissions regarding his actual capacity vague and inconsistent. However, such ambiguity in Respondent No.1’s self-portrayal does not create liability upon Respondent No.2 unless supported by evidence which is wholly absent in the given complaint.

45. It is observed that Block No. 5 is a duly registered block under the project with TG RERA (Registration No. P02200004366), however the Agreement of Sale and payment receipts were issued by Respondent No. 1. In view of the absence of any payment, allotment, or contractual or representative relationship involving Respondent No. 2, this Authority cannot

hold Respondent No. 2 liable for registration of the unit in favour of the Complainant, when there is no material on record which establishes Respondent Nos 2 or 3's authorization, or presence privity in the entire transaction.

46. Conversely, Respondent No.1, who acted as a promoter, executed the Agreement of Sale in his own name, described himself therein as the vendor/owner, allotted the unit, assured the Complainant of such allotment, and collected the entire sale consideration. Having assumed the role and responsibilities of a promoter for the purpose of this transaction, Respondent No.2 shall be solely responsible for the consequences arising from failure to hand over possession of the said unit.

Point II is answered accordingly.

Point III

47. The Complainant seeks registration of the subject flat in the project "Tulasi Lake Front." The record unequivocally establishes that no privity of contract exists between the Complainant and Respondents No. 2 and 3, who neither executed any Agreement of Sale, or received any part of the sale consideration, nor authorised Respondent No. 1 to deal with Block 5 of the said project.

48. As already observed, there is a complete absence of contractual nexus, authorization, or financial involvement linking Respondent No.2 to the questioned transaction. Accordingly, Respondents No.2 and 3 cannot be held liable for the relief sought by the Complainant. The claim for registration of the flat therefore lies solely against Respondent No.1, who executed the Agreement of Sale, received the entire sale consideration, and acted without lawful authority or registration under the RE(R&D) Act, 2016. Notwithstanding Respondent No.1's expressed willingness and efforts to settle the dispute with the Complainant, this Authority is of the view that an order for registration in favour of the Complainant would be inappropriate, as Respondent No.1 lacks the statutory capacity to effect the requisite transfer. In the circumstances, the equitable and efficacious remedy is restitution, and Respondent No.1 is liable to refund the entire sale consideration to the Complainant along with interest, as such refund restores the parties to their pre-contractual position where registration is impracticable against an unauthorised entity.

49. As per Section 18 further provides that:

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

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

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

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

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

51. Respondent No.1, in both his oral and written submissions, has attempted to justify his actions by claiming that he was under the “impression” that Respondents No.2 and 3 would grant permission to negotiate or conclude transactions. However, he concedes that no such approval was ever obtained. His submissions are mutually contradictory a) at one stage he denies being a real estate agent, b) at another he claims to have purchased plots and resold them, c) and simultaneously he describes himself in the Agreement of Sale as the “vendor,” “agreement holder,” and “absolute owner.” Such inconsistent and evasive stand only reinforces the conclusion that Respondent No.1 has indulged in unfair trade practices, misrepresentation, and unauthorized collection of funds.

52. This Authority notes that similar violations by Respondent No.1 have been dealt with earlier. In Complaint No. 264 of 2024, this Authority declared Respondent No.1 a “defaulter.” The relevant extract reads:

“35... Accordingly, Respondent No.1 is hereby declared to be a “defaulter” both in its capacity as a “promoter” and as an “agent” within the meaning of Sections 2(zk) and 2(zm) of the RE(R&D) Act, 2016. As a consequence, the Respondent shall be prohibited from undertaking, advertising, marketing, booking, selling, or

registering any new real estate project or acting as a real estate agent within the jurisdiction of this Authority until such time as all existing dues, refunds, interest, penalties, and regulatory compliances are fully discharged to the satisfaction of this Authority”

53. Notably, Block No. 5, from which Respondent No.1 purportedly allotted a unit, forms part of a registered project. Respondent No.1, having no legal right, title, or authority over the said block, was incompetent to effect any allotment therein, and such conduct constitutes a grave violation of the RE(R&D) Act. In the present proceedings, Respondent No.1 has expressed willingness to resolve the dispute. In view of the circumstances, and since grant of registration is legally untenable, refund is the appropriate relief. Accordingly, Respondent No.1 is directed to forthwith refund the entire amount received from the Complainant, together with applicable interest, and to comply with the same without any delay.

54. Accordingly, in exercise of powers under Section 18(1) of the RE(R&D) Act, 2016, this Authority holds that Respondent No.1 is liable to refund the entire sale consideration received from the Complainant, along with interest at the rate of the current highest marginal cost of lending rate of the State Bank of India (8.75%) plus 2%, aggregating to 10.75% per annum. Interest shall accrue from the date of execution of the Agreement of Sale, i.e., 28.06.2021, until the actual date of realization.

55. Further, Respondent No.1's actions:

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

56. Accordingly, this Authority finds Respondent No.1 in violation of the provisions of the Act, and hereby directs the Secretary, Telangana RERA, to initiate proceedings for imposition of penalty under Section 38, read with Section 61 of the RE(R&D) Act, 2016, with the approval of the Authority.

57. Further, this Authority deems it necessary to caution Respondent No. 3. In any registered real estate project, if any real estate agent, intermediary, or person acting as a de facto promoter advertises, markets, or represents the project as though it were his own, the registered promoter cannot remain a passive or silent spectator. Respondent No.2, as the promoter on record, is not expected to be blindsided or to later contend lack of awareness,

absence of authorization, or non-involvement. This Authority will not countenance a posture of silence or inaction from a registered promoter when such misleading practices occur in respect of its project. Any failure on the part of the promoter to take timely protective measures may attract appropriate regulatory consequences in future cases.

Point No. III is answered accordingly

I. Directions of the Authority:

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

- i. The objections raised by Respondent No.2 and Respondent No.1 regarding maintainability are rejected. The Authority holds that the present complaint is maintainable as against both Respondents, in light of the admitted actions of Respondent No.1 and the overall regulatory framework governing registered projects.
- ii. Based on the material placed on record, the Authority holds that no privity of contract, authorization, or financial linkage has been established between the Complainant and Respondents No.2 and 3. Respondents No.2 and 3, therefore, cannot be fastened with liability for refund or for any allotment-related relief when no payment has been made to him, nor any allotment or commitment originated from him. However, the Authority issues a formal caution to Respondents No.2 and 3 that, as the registered promoter, he is under a statutory obligation to exercise vigilance and to take prompt corrective measures in cases of unauthorized advertising or misrepresentation by third parties. Respondent No.3 shall not adopt a posture of silence or inaction and is expected to lodge appropriate complaints and issue public notices wherever necessary to safeguard homebuyers.
- iii. The Respondent No. 1 is further directed to refund the entire amount of ₹27,95,000/- (Rupees Sixteen Lakhs Fifty Thousand only), along with interest at the rate of 10.75% per annum (SBI MCLR of 8.75% + 2%), calculated from Agreement of sale dated 28.06.2021 until the date of actual refund. The aforesaid refund, along with accrued interest, shall be paid within thirty (30) days from the date of receipt of this order.
- iv. Respondent No.1 is further found to have committed serious violations—
 - a) allotting a unit without having legal entitlement
 - b) misrepresenting himself as promoter/owner,
 - c) collecting money without legal authority, and

d) engaging in unfair trade practices.

Accordingly, the Secretary, Telangana RERA, is directed to initiate proceedings for imposition of penalty against Respondent No.1 under Section 38 read with Section 61 of the RE(R&D) Act, with approval of the Authority.

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

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

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

Sd/-

Sri. K. Srinivasa Rao,

Hon'ble Member

TG RERA

Sd/-

Sri. Laxmi Naryana Jannu,

Hon'ble Member

TG RERA

Sd/-

Dr. N. Satyanarayana, IAS (Retd.),

Hon'ble Chairperson

TG RERA

