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

COMPLAINT No. 572 OF 2022
Dated: 17th November 2026

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

Between:

Mohammed Raziq Khan &146 others

(represented by their GPA holder Sri M. Surendar Reddy)

…**Complainants**

Versus

1) **M/s. Elite BHEL Employees Mutually Aided Co-operative Housing Society Ltd.** *(Regd. No. 2552/2017), rep. by its President*
2) **V. Venkateshwar Rao** (President)
3) **B. Subba Raju** (Secretary)
4) **Nidamarthy Siva Prasad**
5) **Smt. Nidamarthy Mahalakshmi**
6) **M/s. Magnus Constructions Pvt. Ltd**., rep. by its Director Nidamarthy Siva Prasad
7) **P. Sathyanarayana**
8) **Subrahmanyam BSK**
9) **P. Vinod Kumar**
10) **Koti Veera Sivaji Ande**
11) **Oddepalle Sekhar;**
12) **Shivaram Prasad K.**
13) **Nooka Raju Perla**

…**Respondents**

The present matter filed by the complainants herein came up for hearing before this Authority in the presence of Counsel for the Complainants, Sri D. Siva Acharya and for Counsel for Respondent Nos. 1 to 3 and 7 to 13**,** Sri N. Rajeshwar Rao and Counsel for Respondent Nos. 4 to 6 Sri M. Shiva Kumar.

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY

ORDER

2. This complaint returns to the Authority on remand. It was instituted under Section 31 of the Real Estate (Regulation and Development) Act, 2016 ("the Act") by members of the Elite BHEL Employees Mutually Aided Co-operative Housing Society Ltd. ("the Society"), who had booked residential units in a project at Sy. Nos. 189 and 191, Indresham Village, Patancheru Mandal, Sangareddy District, since registered with this Authority as "Magnus Elite Homes" under Registration No. P01100002408 dated 17.12.2020. The Authority disposed of the complaint by order dated 19.10.2023. That order was carried in appeal to the Telangana Real Estate Appellate Tribunal ("the Tribunal") by the landowners-developer (T.A. No. 14 of 2024) and by the Society and its office-bearers (T.A. No. 19 of 2024). By two orders dated 25.03.2025, the Tribunal set aside the order dated 19.10.2023 and remanded the matter for fresh adjudication.

3. Before turning to the dispute itself, it is necessary to settle what the remand requires of this Authority.

4. The Tribunal found, in T.A. No. 14 of 2024, that the Authority had reserved the matter on 05.10.2023 and called upon the complainants to file a memo setting out the advances paid and the balances due from the remaining 42 members, that the memo was filed on 06.10.2023 but was not served on the respondents and that the order dated 19.10.2023 was founded on that memo without the proceedings being reopened. On that ground alone violation of the principles of natural justice the Tribunal set aside the order, expressly making no findings on the merits. The operative directions read:

> "*1. The impugned order dated 19.10.2023 in Complaint No. 572 of 2022 is hereby set aside.*
> *2. The matter is remanded to the Telangana State Real Estate Regulatory Authority for a fresh adjudication in accordance with the law.*
> *3. The Authority shall issue notices to both parties, allow the filing of objections or submissions on the memo dated 06.10.2023, and conduct a hearing uninfluenced by observations in this order.*
> *4. TSRERA is directed to reopen the matter, serve copies of the memo dated 06.10.2023 and any related documents to the appellants, and grant both parties an opportunity to be heard.*
> *5. After hearing both sides, TSRERA shall pass a reasoned order uninfluenced by any observations made herein.*
> *6. Both parties are directed to cooperate fully with the proceedings and refrain from any third-party transactions concerning the disputed property until the disposal of the case by the Authority."*

5. In T.A. No. 19 of 2024, the Society had confined its challenge to the direction requiring it to pay interest on amounts held by it. The Tribunal, noting that both appeals arose from the same order and that the grounds were interlinked, remanded that appeal as well, setting aside the order "to the extent challenged" and directing a reasoned and detailed order after hearing both sides.

A. Proceedings

6. On receipt of the remand orders, the matter was reopened. Notice was issued to all parties for 19.06.2025.

7. Pursuant to the notice:

a) Respondent Nos. 1 to 3 and 7 to 13 filed an Additional Counter dated 22.07.2025, with documents, which also contains their objections to the memo dated 06.10.2023;

b) Respondent Nos. 4 to 6, filed additional reply, adopting their earlier reply and setting out their response to the memo.

c) the complainants filed a Rejoinder Affidavit dated 25.08.2025, together with a Memo of List of Members dated 25.08.2025, reducing the members still awaiting registration from 42 to 38 (four members having withdrawn), and a memo of timestamps of the video recording of the General Body Meeting dated 20.12.2022;

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY

8. The matter was heard at length. Learned counsel for all parties were heard. I.A. No. 17 of 2024 in I.A. No. 225 of 2025 filed by the complainants for a direction to the Society to open an escrow account, which had been reserved before the remand, was directed by the Authority to be heard along with the main complaint, and is disposed of by this order. I.A. No. 81 of 2026, filed by third parties after the matter was reserved, is dealt with below.

B. Submissions of the Complainants:

9. The complainants are employees of BHEL and members of the Society. Their case is that the Society, through its office-bearers, Respondent Nos. 2, 3 and 7 to 13, and Respondent Nos. 4 and 5 as landowners, with Respondent No. 6 as developer, promoted a scheme of over 200 independent houses of 1,020 sq. ft. on 167 sq. yd. plots- units, priced at ₹32 lakhs and 1,200 sq. ft. on 200 sq. yd. plots units, priced at ₹38 lakhs. A Memorandum of Understanding dated 22.02.2018 was executed between the Society and Respondent Nos. 4 to 6, followed by a Supplementary MoU dated 06.02.2019. The members paid advances of ₹6,50,000 for an "a" unit

and ₹7,70,000 for a "b" unit each, inclusive of ₹10,000 towards the Society fund, and the Society collected about ₹17.55 crores in all, which Respondent Nos. 4 to 6 admit having received.

10. The complainants allege that the land in Sy. No. 191 was mortgaged to the State Bank of India without disclosure that approvals were delayed, that the price was escalated through the Supplementary MoU without the members' consent, and that registration of the project was obtained only after they approached the Authority. FIR No. 670 of 2021 was registered at their instance, and the Society's bank account was frozen in September 2021.

11. The complaint prayed, among other things, for a direction to develop the project in terms of the MoU and to allot the units as originally booked, compensation, a perpetual injunction against alienation of the land, a declaration that transactions after 22.02.2018 are void, penal and criminal action, and costs.

12. Their case is that circumstances then changed. At the General Body Meeting of 20.12.2022, chaired by the President of the Society, Respondent No. 4 offered to register undeveloped plots instead of constructed houses at ₹16,000 per sq. yd., the balance to be paid by demand draft towards the account under mortgage so that the loan would not be classified as NPA. A lottery of plots was held on 24.12.2022. About 125 members, including some 91 complainants, arranged funds and obtained registered sale deeds from January 2023 onwards. The remaining members were told by Respondent No. 2 on 02.01.2023 not to draw demand drafts until further orders, and on 21.02.2023 that an extension was being pursued with the landowner and the banker. Despite emails, WhatsApp messages and legal notices dated 07.08.2023 and 02.02.2024 expressing readiness and willingness to pay, no registrations were offered to them, while plots were registered in April 2023 in favour of office-bearers and others.

13. On the memo dated 06.10.2023, the complainants say that it introduced nothing new only the names, plot numbers, extents and balance amounts were already part of the GBM record and the lottery, were stated in the legal notice dated 02.02.2024, and correspond to the very consideration on which 125 sale deeds were registered. They now seek registration of the plots allotted to the 38 remaining members on payment of the balance consideration set out in the memo.

14. In view of the facts mentioned above, the Complainants sought for the following relief(s)

a) *To declare the inaction of the Respondent No. 4, 5 and 6 Promotors in communicating the approved plans from HMDA to the Complainants as illegal, arbitrary, and contrary to the agreed terms of the MOU.*

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY

b) *To declare the action of the Respondent No. 4 and 5 in committing breach of the terms of MOU and the provisions of RERA Act and Rules as illegal and arbitrary.*

c) *To direct the Respondents to develop the project as per the terms of MOU and allot the residential units to the Complainants as per their original bookings;*

d) *Award compensation to the Complainants for an amount of Rs..../- towards mental agony, hardship, inconvenience in making them to approach different forums by incurring huge expenditure i.e., by engaging lawyers etc.*

e) *To grant a perpetual injunction restraining the Respondents No 4 and 5 from selling, disposing or assigning or in any way transferring/alienating the schedule property pertaining to Sy. Nos. 189 and 191 to any person/entity or creating any third-party interest whatsoever in the subject property.*

f) *To declare any transaction of the Schedule Property subsequent to the date of execution of the MOU ie., 22.02.2018 as null and void*

g) *To initiate penal/criminal Action against the Respondent Nos. 4 and 5 for committing fraud and cheating the Complainants, committing breach of terms of MOU and the provisions of RERA Act For obtaining extension of mortgage wherein a deliberate misrepresentation was made to the Complainants and other members of the Society.*

h) *Award costs of the Complaint and pass such other order or orders as this Hon'ble Authority may deem fit and proper in the circumstances of the case and in the interest of justice.*

C. Submissions of Respondent Nos. 1 to 3 and 7 to 13:

15. In their original counter, these respondents stated that the HMDA layout was approved for 272 plots, that 176 members remained in the project and participated in the lottery on 24.12.2022, that 125 of them obtained sale deeds on payment of balances of ₹20,32,000 (167 sq. yd.) and ₹24,40,000 (200 sq. yd.) and that the remaining members failed to pay within the cut-off date of 31.12.2022.

16. In their Additional Counter, which also contains their objections to the memo, they contend that the Society is neither a landowner nor a promoter and falls outside Sections 2(zk) and 2(zm) of the Act. That the arrangement was between the Society and the landowners, and the members who obtained plots approached the landowners directly and the 42 members did not pay before 31.12.2022, of which they had notice through the GBM and WhatsApp messages. Further that after dispute-resolution proceedings, the MoU and the Supplementary MoU were cancelled on 22.09.2023 for non-performance, so the agreements are no longer enforceable. Also, the landowner returned the advances of these members to the Society's SBI account in March 2024, but the account has been frozen since 24.09.2021, no debits are allowed as per bank letter dated 13.11.2024. They have submitted that the Society earns no interest, so no interest can be fastened on it, which is why they pray for dismissal of the complaint.

D. Submissions of Respondent nos. 4 to 6:

17. In their counter dated 02.12.2022, Respondent Nos. 4 to 6 admit receipt of Rs.17.55 crores from the Society, but deny any privity of contract with the individual members. They contend that the Society failed to pay the full sale consideration and take conveyance of the plots in its favour as the MoU required, that a termination notice was issued on 16.11.2021, that the land was not encumbered in law, the title deeds having only been deposited with the bank and that the members have foisted a criminal case (FIR No. 670 of 2021), which is under challenge before the High Court in Crl.P. No. 6581 of 2022 and that the members should be relegated to arbitration under Article XIII of the MoU. In their objections to the complainants' memo dated 05.09.2023, they stated that sale deeds were not executed in favour of the remaining members only because those members had not paid the sale consideration.

18. In their reply dated 22.02.2024 in the Misc. Applications, they submitted that after notice for cancellation of the MoU and Supplementary MoU, Respondent No. 4 had no obligation to sell individual plots to the members, but agreed to do so on humanitarian grounds, subject to the withdrawal of cases against Respondent Nos. 4 to 6. The condition was that members pay the full consideration by 31.12.2022. According to them, it was communicated in writing that no sale would take place and no consideration would be received after that date, and that members who did not avail the offer would be refunded through the Society. They say Respondent No. 4 executed 125 sale deeds, refunded the entire amount of the remaining members to the Society, the last payment being made on 22.09.2023, and that no privity therefore survives between Respondent Nos. 4 to 6 and the Society or its members.

19. After remand, Respondent Nos. 4 to 6 filed an Additional Reply, wherein they adopted their earlier reply and assert that the order dated 19.10.2023 was passed without considering their reply and without notice of the memo. They also say that the directions issued were neither sought by the complainants nor within the Authority's jurisdiction, there being no amended pleadings or reliefs. They reiterate their denial of maintainability and of the complainants' locus under the Act. Respondent No. 4, though having no contractual privity with the complainants, agreed on humanitarian grounds to register undeveloped plots in favour of outgoing members who paid the full sale consideration by 31.12.2022. The advances of members who did not comply were refunded to the Society. In all, 124 plots were registered, the advances of the remaining members were refunded, and the MoU and SMoU were then cancelled on 22.09.2023. Respondent No. 5 withdrew from the project with the Society's approval on 27.03.2022, and Respondent No. 6 was discharged from the MoUs after refunding ₹20 lakhs. They contend that the amounts were

refunded before the cancellation deed and before the order dated 19.10.2023, and that it is for the Society to refund those amounts to the members who did not obtain registration.

20. In T.A. No. 14 of 2024, and again in the Additional Reply, these respondents contended that the Authority had no jurisdiction to grant directions beyond the reliefs prayed for. That contention is considered under Point IV.

E. Rejoinder of the Complainants:

21. In their Rejoinder Affidavit dated 25.08.2025, the complainants say that the case now made by the Society is self-contradictory. It claims to have had no part in the arrangement for registration of plots, yet insists that the members had notice of a deadline through the very GBM it convened. The GBM of 20.12.2022 was held in the Society's premises and chaired by Respondent No. 2, who signed the resolution. The lottery of 24.12.2022 was conducted by the elected body in the same premises, and its video recording was played before the Authority in the presence of the President of the Society. According to the complainants, the Society and its office-bearers facilitated the whole transaction and are, in effect, real estate agents who have colluded with Respondent Nos. 4 to 6.

22. On the alleged deadline, the complainants point out that it does not appear in the GBM resolution or in any reply to their legal notices. No registration took place until 11.01.2023, and on 02.01.2023 Respondent No. 2 directed that no further demand drafts be drawn until further orders. On 21.02.2023 he wrote that the landowner and banker were working on an extension. Plots were registered on 04.04.2023 and 06.04.2023 in favour of, among others, Vallabhaneni Venkateswara Rao (Respondent No. 2), Bellamkonda Subbaraju (Respondent No. 3) and Oddepalle Sekhar (Respondent No. 11), as the encumbrance certificate shows. The complainants further say that Respondent No. 4's letter dated 29.03.2022 shows the Society knew of the bank's in-principle approval for sale of plots in Sy. No. 191 by early 2022 but disclosed it only at the GBM. That left largely salaried employees about ten days to raise over ₹20 lakhs each.

23. The complainants say the dispute-resolution documents dated 25.05.2022 and 15.09.2022 were never made known to them and cannot bind them. They also say the cancellation of the MoU on 22.09.2023, while the complaint seeking to enforce it was pending, is hit by the principle of lis pendens. Relying on the cheque dated 20.02.2023 for ₹2,68,300 drawn on the same account, other entries, and the bank's letter dated 24.09.2021 describing the freeze as partial, they say the account is not wholly frozen. They ask that the Society be directed to disclose its balance and

transactions on affidavit. Finally, they submit that registration of plots is a lesser relief inherent in the prayer, and is more favourable to the promoters than what was originally sought.

F. I.A. No. 81 OF 2026

24. On 10.02.2026, after the matter had been reserved for orders on 23.01.2026, six persons who are not parties to the complaint filed I.A. No. 81 of 2026, seeking to come on record as proposed Respondent Nos. 13 to 18. They are Narsimha Reddy Patlola, Naveen Kumar Reddy Palreddy, Garlapati Sruthi Reddy, Deepak Lahoti, Bidhi Lahoti and Vallapuneni Venkateswarlu. They claim to have purchased certain plots in the layout under registered sale deeds executed in 2024, after the cancellation of the MoU between the Society and the landowners. Relying on encumbrance certificates, they say that several plots originally allotted to members of the Society have since been registered in favour of third parties, including themselves. They also say that certain plots are covered by a court stay and appear in the Telangana SRO Prohibited Properties List pursuant to R.P. No. 114 of 2025, and that others are the subject of proceedings before the Debt Recovery Tribunal and have been seized for recovery of bank loans. They contend that the availability and status of the allotted plots must be verified before any direction for registration is issued, failing which conflicting claims and multiple registrations may result.

25. The Authority is of the view that the application cannot be allowed, for the reasons that, firstly, it was filed after the hearing had concluded and orders had been reserved. Further that the applicants claim to have purchased in 2024, whereas, they offer no explanation for remaining silent through the entire remand proceedings and moving only after the matter was reserved. Further, nothing in this order touches the applicants' title. The Authority does not declare registered sale deeds void, and the complainants' prayer for such a declaration is rejected below. The directions operate against the promoter alone. Where a plot allotted to a complainant is found to have been conveyed to a third party, or to be under a stay or attachment, the directions do not require it to be conveyed again. They require the promoter to offer a substitute plot or to make refund with interest. The apprehension of conflicting registrations is thus met without impleadment.

26. It is also noted, that the applicants purchased in 2024. This complaint had been pending since 2022 and the Authority had passed its order dated 19.10.2023, followed by the restraint on alienation in the order dated 05.03.2024. It is a settled principle that a person who purchases property that is the subject of a pending proceeding takes it subject to the result of that proceeding,

and his interest is represented by his vendor. Their vendor, Respondent No. 4, is on record and has contested the complaint throughout.

27. I.A. No. 81 of 2026 is accordingly dismissed. The applicants' rights, if any, under their sale deeds are left open, to be pursued before the competent forum.

D. Points for Consideration:

28. Upon consideration of the pleadings, the documents placed on record and the submissions advanced by the parties, the following points arise for determination by this Authority:

I. Whether the present complaint is maintainable before this Authority, whether the complainants qualify as allottees within the meaning of the Act, whether Respondent Nos. 4 to 6 are the promoters of the project and what is the role and legal position of the Society in the present proceedings.

II. Whether, after the respondents have been afforded the opportunity to object, the contents of the memo dated 06.10.2023 stand established.

III. Whether the remaining 38 complainants can be denied registration of their respective plots allotted to them by Respondent 1 to 3?

IV. Whether the 38 complainants are entitled to the reliefs sought?

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY

E. Observations of the Authority:

Point I

29. Section 2(zk) of the Act defines a "promoter" to include, under clause (ii), a person who develops land into a project, whether or not he also constructs structures on any of the plots, for the purpose of selling all or some of the plots to other persons. The Explanation to Section 2(zk) provides that where the person who develops a plot for sale and the person who sells it are different, both shall be deemed to be promoters and be jointly liable for the functions and responsibilities specified under the Act. Respondent No. 4 is the registered promoter of the project "Magnus Elite Homes" (Registration No. P01100002408), covering Plot Nos. 1 to 273 in Sy. Nos. 189 and 191. Respondent Nos. 4 and 5 are the owners of the land, and Respondent No. 6 is the company through which Respondent No. 4 was to develop it. All three are parties to the MoU dated 22.02.2018, and it is Respondent No. 4 who executed the sale deeds in favour of the 125 members. Respondent Nos. 4 to 6 are, therefore, promoters within Section 2(zk) and its Explanation.

30. Respondent Nos. 4 to 6 now say that Respondent No. 5 withdrew from the project with the Society's approval on 27.03.2022, and that Respondent No. 6 was discharged after refunding ₹20 lakhs. These are arrangements between those respondents and the Society. They cannot alter the status that the Act attaches to a promoter in relation to allottees who have paid. They do, however, bear on who must convey. Under the dispute-resolution document dated 25.05.2022, the undeveloped plots offered to the members were the plots in Sy. No. 191, which belongs to Respondent No. 4. The obligation to convey therefore rests on Respondent No. 4. Respondent Nos. 5 and 6 are required to join only to the extent their concurrence may be needed to pass clear title.

31. Section 2(d) defines an "allottee" as the person to whom a plot has been allotted, sold or otherwise transferred by the promoter. The complainants paid advances for identified units under the scheme, and the promoters admit receiving about ₹17.55 crores through the Society. On 24.12.2022, specific plot numbers in the registered layout were allotted to each member by lottery, as part of the very arrangement under which Respondent No. 4 then executed 125 sale deeds. That the money passed through the Society does not change who received it or what it was paid for. The plea of absence of privity cannot stand against Respondent No. 4's own conduct in conveying plots directly to individual members on the same terms. The complainants are allottees.

32. The plea of arbitration under Article XIII of the MoU does not bar these proceedings. Section 79 of the RE(R&D) Act expressly bars the jurisdiction of Civil Courts in respect of any matter which this Authority, the Adjudicating Officer, or the Appellate Tribunal is empowered to determine. Likewise, Section 88 clarifies that the provisions of the Act are in addition to, and not in derogation of, other laws. Thus, the intention of the legislature is that remedies under this beneficial legislation must remain open to allottees, irrespective of any private clause for amicable settlement. Even in cases where agreements contained arbitration clauses, the Hon’ble Supreme Court and the Hon’ble NCDRC have consistently held that such clauses cannot circumscribe the jurisdiction of consumer fora or statutory authorities constituted under special enactments. Accordingly, this Authority has no hesitation in holding that the Complainant is well within its rights to approach this forum without being first compelled to pursue for arbitration.

33. As to the Society it is the body through which the members booked, paid and were allotted their plots by lottery, and it now holds, by its own admission, the advances returned by the promoter for the very members before us. It is not necessary to decide whether the Society is itself a promoter under clause (iv) of Section 2(zk), as no relief for execution of the conveyance is

sought against it. It is a necessary party, and the directions made against it in this order are confined to accounting for and restoring the complainants' money that it holds.

34. Point I is answered accordingly. The objections of the Respondents as to maintainability is therefore rejected.

Point II

35. The memo sets out, for each of the 42 members then awaiting registration, the membership number, the plot number allotted in the lottery, the extent, the advance paid, and the balance payable at ₹16,000 per sq. yd. for undeveloped land. It is not a pleading and seeks no relief of its own, it is a tabulation. The question is whether its contents are correct now that the respondents have had full opportunity to contest them. List of 38 complainants as per the memos dated 06.10.2023 and 25.08.2025

Sl.	Name of the Member	Membership No.	Plot No.	Extent (sq. yd.)	Advance paid (₹)	Balance payable (₹)
1	Kagita Ashok	9	116	167	6,50,000	20,32,000
2	Rajesh Kumar Mandal	25	81	167	6,50,000	20,32,000
3	Manik Kumar Murmu	33	67	167	6,50,000	20,32,000
4	Gouri Charan Sahoo	35	25	167	6,50,000	20,32,000
5	Meera Mohammad Shaik	44	110	167	6,50,000	20,32,000
6	Kothapally Janardhan	46	18	167	6,50,000	20,32,000
7	T. Yashodha	66	79	167	6,50,000	20,32,000
8	Mottikayala Krupa Rao	67	45	167	6,50,000	20,32,000
9	Bangi Nagendraiah	68	47	167	6,50,000	20,32,000
10	Chaudhary Vikash Bharti	70	64	167	6,50,000	20,32,000
11	Medisetti Sai Kiran	72	28	167	6,50,000	20,32,000
12	Bipin B. Mahapatra	79	62	167	6,50,000	20,32,000
13	Thampuluri Yadaiah	85	36	167	6,50,000	20,32,000
14	N.N. Kumar Kilaparthi	86	49	167	6,50,000	20,32,000
15	Kareppa	87	77	167	6,50,000	20,32,000
16	Salandri Divakar	90	35	167	6,50,000	20,32,000
17	Srinivasa Rao Bandi	91	123	167	6,50,000	20,32,000
18	Rajesh Kumar Yadava	93	3	167	6,50,000	20,32,000
19	Vijayabhaskar B.	96	48	167	6,50,000	20,32,000
20	Panchanan Dash	97	113	167	6,50,000	20,32,000
21	S.N. Prasad Kothapalli	102	44	167	6,50,000	20,32,000
22	Banavath Rajender Naik	104	106	167	6,50,000	20,32,000
23	Ch. Durgaprasad	107	129	167	6,50,000	20,32,000
24	Purusottam Patra	110	87	167	6,50,000	20,32,000
25	Yadunath Lokhande	114	60	167	6,50,000	20,32,000
26	Kammari Sangameshwar	151	131	200	7,70,000	24,40,000

Sl.	Name of the Member	Membership No.	Plot No.	Extent (sq. yd.)	Advance paid (₹)	Balance payable (₹)
27	Althaf Basha Shaik	158	147	200	7,70,000	24,40,000
28	Kandula Suresh	159	140	200	7,70,000	24,40,000
29	Hariman Meena	160	53	167	7,70,000	19,12,000
30	Mithlesh Kumar	162	166	200	7,70,000	24,40,000
31	Ramesh Kumar Ray	176	159	200	7,70,000	24,40,000
32	Ashwini Kumar Nayak	186	92	167	7,70,000	19,12,000
33	Sajal Ghosh	188	167	200	7,70,000	24,40,000
34	Sunil Kumar Mohanty	195	168	200	7,70,000	24,40,000
35	Shaik Riyaz	201	55	167	7,70,000	19,12,000
36	Karigari Jyostna	212	203	200	7,70,000	24,40,000
37	Syed Maruf Afrooz	215	23	167	7,70,000	19,12,000
38	Debashish Hotta	217	132	200	7,70,000	24,40,000

36. The figures are internally consistent and reconcile with the respondents' own case. At ₹16,000 per sq. yd., a 167 sq. yd. plot costs ₹26,72,000 and a 200 sq. yd. plot ₹32,00,000. After credit of the advance less the ₹10,000 Society fund, the balances are ₹20,32,000 (167 sq. yd., advance ₹6,50,000), ₹19,12,000 (167 sq. yd., advance ₹7,70,000) and ₹24,40,000 (200 sq. yd., advance ₹7,70,000) exactly the figures in the memo. The Society's own original counter states the same balances of ₹20,32,000 and ₹24,40,000 as those on which 125 members obtained sale deeds, the encumbrance certificate filed by the complainants shows considerations of ₹26,72,000 and ₹32,00,000 for registrations of April 2023.

37. Neither set of respondents disputes any name, plot number, extent, advance or balance in the memo. The objections of Respondent Nos. 1 to 3 and 7 to 13, and the Additional Reply of Respondent Nos. 4 to 6, go instead to entitlement. The alleged deadline of 31.12.2022, the cancellation of the MoU, and the frozen bank account. These are considered under Points III and IV. The grievance of Respondent Nos. 4 to 6 that the memo was not served on them and that their reply was not considered has been addressed by the present proceedings, in which the memo was served, their Additional Reply received, and their counsel heard.

38. The Authority therefore holds that the contents of the memo dated 06.10.2023 are correct, as modified by the complainants' Memo of List of Members dated 25.08.2025. Following the withdrawal of four members Jayanta Kumar Palei, Anil Kumar, D. Shankar and Butchim Naidu Chokka Kula, the claim now concerns the 38 members listed above. This finding rests on the respondents' own admissions and documents, and not on the memo alone.

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY

Point III:

39. Respondent Nos. 4 to 6 say that the condition of no sale after 31.12.2022 was communicated in writing. The only writing on record that stipulates the date is the Modified Settlement of Dispute dated 15.09.2022. It records that outgoing members must pay the full consideration on or before 31.12.2022, that no further extension or grace period is provided, and that any part payments are to be refunded to the Society, whereupon the MoU and SMoU are deemed cancelled. That document was prepared by a panel of six, three nominees of the Society, namely Respondent No. 3 (B. Subba Raju), Respondent No. 7 (P. Satyanarayana), and Respondent No. 10 (K.V. Sivaji Ande), and three nominees of Respondent No. 4. The members were not parties to it. Nothing on record shows that it was communicated to them individually, and the complainants deny any knowledge of it. An arrangement between the promoter and the office-bearers of the Society cannot extinguish the rights of allottees who were not parties to it.

40. The respondents' case of a binding cut-off rests on the communications that followed the GBM. Those communications, as placed on record, describe 31.12.2022 as the date up to which the bank's NOC for individual plots was valid, and say that the Society shall not be held responsible for a member's failure to deposit before that date. They do not say that a member who did not pay by that date would forfeit the allotment. Nor does the GBM resolution of 20.12.2022, filed by these respondents, prescribe any such consequence.

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY

41. Most significantly, the respondents did not themselves treat the date as binding. Their own case is that 124 plots were registered before the deadline. The complainants' case, which is not rebutted, is that the registrations commenced only on 11.01.2023, and the encumbrance certificate shows that the plots were registered on 04.04.2023 and 06.04.2023. These later registrations include ones in favour of Respondent No. 2 (jointly), Respondent No. 3 and Respondent No. 11, all office-bearers of the Society, more than three months after the date said to admit of no further extension. On 02.01.2023, Respondent No. 2 asked the remaining members not to draw demand drafts until further orders, and on 21.02.2023 he told them an extension was being pursued. A deadline that its own author relaxed for some, including the office-bearers who negotiated it, cannot be enforced against others. The complainants, for their part, have consistently expressed readiness and willingness to pay, through emails, messages and legal notices dated 07.08.2023 and 02.02.2024.

42. Respondent Nos. 4 to 6 also say that Respondent No. 4 agreed to register plots on humanitarian grounds and subject to the withdrawal of cases against them. The obligation to

convey a plot to an allottee who has paid is a statutory obligation under Sections 11(4)(f) and 17 of the Act, not an act of grace. Its performance cannot be made conditional on the allottee giving up other remedies available to him in law.

43. Respondent Nos. 1 to 3 and 7 to 13 contend that the MoU and Supplementary MoU were cancelled on 22.09.2023 following dispute resolution. That cancellation, whatever its date, came about while this complaint in which the complainants sought enforcement of their rights under those very instruments was pending before the Authority. Section 11(5) of the Act permits a promoter to cancel an allotment only in terms of the agreement for sale, and entitles the allottee to relief from the Authority where the cancellation is not in accordance with the agreement, is unilateral, or is without sufficient cause. No notice of cancellation to the complainants individually is shown. A cancellation between the promoter and the Society, during the pendency of these proceedings, cannot extinguish the allottees rights to the plots allotted to them on 24.12.2022.

44. Point III is answered accordingly. The 38 complainants are not disentitled to registration of their allotted plots.

Point IV:

45. Respondent Nos. 4 to 6 say the Authority cannot give relief beyond what is prayed for in the complaint. The complaint prayed for allotment of developed houses under MoU. Now, what is sought is the registration of undeveloped plots at a higher price on the terms that Respondent No. 4 himself proposed at GBM dated 20.12.2022, which 125 members accepted and acted upon. Section 34(f) of the Act binds the Authority to ensure compliance of obligations cast on promoters; Section 37 empowers it to issue directions for that purpose. Sections 11(4)(f) and 17 require the promoter to execute a registered conveyance in favour of the allottee. Moulding the relief to the arrangement the promoter offered and has done so for every other like-situated member is within the Authority's power and just course.

46. On the refund of advances, the respondents differ on the date. Respondent Nos. 4 to 6 say the last payment to the Society was made on 22.09.2023, while the Society, in its Additional Counter, places the credit later. The cancellation deed dated 22.09.2023, to which the Society is itself a party, settles the substance. It is stated that ₹17.55 crores were collected and paid to Respondent No. 4, and that ₹4.52 crores were refunded by 08.08.2022 for members who withdrew. It further submits that, after the 125 registrations, a further ₹4.30 crores relating to members who did not avail the offer was refunded and transferred to the Society's designated

bank accounts. Whatever the exact date of credit, the advances of the complainants before the Authority are now held by the Society, not by Respondent No. 4.

47. Here now the consequences that flow are first, in the ordinary course, when a complainant pays the balance, and Respondent No. 4 conveys the plot, the advance must reach Respondent No. 4. Respondent No. 4 has parted with it, and the complainant cannot be made to pay it twice. The Society, which holds it, must restore it to Respondent No. 4. Respondent No. 4 shall give full credit for the advance, and shall not withhold registration because the Society's transfer is pending, since the Society's account is frozen for reasons beyond the complainants' control in the matter of this transfer.

48. There may, however, be cases where an allotted plot is found to have already been sold, alienated or encumbered, as the material placed in I.A. No. 81 of 2026 suggests, thereby rendering its conveyance in favour of the concerned complainant impossible. In such circumstances, Respondent No. 4 shall first be required to offer an alternative plot of equal extent in the same layout and on the same terms as those applicable to the original allotment. Where no such alternative plot is available, the complainant cannot be left without an effective remedy merely because the specific plot allotted to him/her is no longer available. The relief of registration would then necessarily give way to restitution by way of refund.

49. The principal advance paid by the complainant is presently held by the Society, having been returned to it by Respondent No. 4. The Society must, therefore, restore the principal amount to the concerned complainant, subject to the account being permitted to be operated for that purpose. Respondent No. 4, having already returned the said principal amount to the Society, cannot be directed to refund it again.

The liability towards interest, however, stands on a different footing. The inability to convey the originally allotted plot arises from its subsequent alienation or encumbrance by Respondent No. 4, notwithstanding the pendency of these proceedings and the restraint against creation of third-party interests. The complainants cannot be made to bear the consequences of such conduct. In a case where the promoter is ultimately unable to deliver the allotted plot and the relief of registration is consequently replaced by refund, the statutory obligation to refund with interest under Section 18(1) of the Act becomes relevant. The fact that the principal amount has since been returned to the Society does not, by itself, absolve Respondent No. 4 of the liability towards interest arising from the failure to convey the plot. The interest component shall therefore be

borne solely by Respondent No. 4. The Society, on the other hand, shall be liable to restore only the principal amount held by it, for the reasons discussed in the following paragraph.

49. As regards interest against the Society, its SBI account (A/c No. 37272020976) has been frozen since 24.09.2021 at the instance of the complainants' own criminal complaint, and the bank's letter dated 13.11.2024 records that no debits are allowed. The complainants point to a cheque dated 20.02.2023 for ₹2,68,300, other entries, and the bank's letter of 24.09.2021 describing the freeze as partial. These entries predate the return of the advances recorded in the deed dated 22.09.2023 and do not establish that the Society has had use of these particular funds. Since the complainants are now to be conveyed their plots with full credit for their advances, and the interest burden in case of non-availability is placed on the promoter, no case is made out for interest against the Society. The Society shall, however, disclose the position of the account on affidavit, as the complainants have sought.

50. In regard to the compensation for mental agony and expenses falls within the jurisdiction of the Adjudicating Officer under Sections 71 and the complainants are at liberty to file Form N. The prayer to declare all transactions since 22.02.2018 void is beyond the scope of these proceedings and is not granted.

E. Directions

51. In the result, following directions are issued under Section 37 read with Section 34(f) of the Act:

a) The 38 complainants shall pay the balance sale consideration amount within 30 days of receipt of this order. The balance of the sale consideration shall be paid into Escrow Account No. 41404624732 at the State Bank of India, Sanath Nagar Branch. This is the account through which the 125 members registered from January 2023 paid, and the parties agreed to it before the Authority on 21.02.2024. If that account is no longer operative, Respondent No. 4 shall, within 7 days of receipt of this order, furnish to each complainant the particulars of the account into which the 125 members paid.

b) Respondent No. 4 shall, within 15 days of receipt of the balance consideration, initiate steps to execute and register a sale deed in favour of each paying complainant for the plot number and extent allotted to him/her in the lottery dated 24.12.2022, free of encumbrance. Any release required from the mortgagee bank

shall be obtained at the cost of Respondent No. 4. Stamp duty and registration charges shall be borne by the complainants, as with the other members.

c) Respondent No. 1 Society shall, within 15 days of receipt of this order, apply to the State Bank of India and to the investigating agency in FIR No. 670 of 2021 for permission to transfer the advances relating to the 38 complainants. Within 15 days of such permission, it shall transfer to Respondent No. 4 the advance of every complainant in whose favour a sale deed has been executed.

d) In the event that any plot originally allotted to a complainant cannot be conveyed, Respondent No. 4 shall, within 30 days of receipt of this order, offer such complainant an alternative plot of equal extent in the same layout and on the same terms as applicable to the original allotment. If no such alternative plot is available, Respondent No. 4 shall communicate the same in writing to the concerned complainant and to this Authority. In such an eventuality, Respondent No. 1 Society shall refund to the concerned complainant the principal advance amount held by it, within 30 days from the date on which its account is permitted to be operated for this purpose. Respondent No. 4 shall, independently, pay interest on the amount originally paid by the concerned complainant, at the rate prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, calculated from the respective dates of payment until the date of actual repayment. Such interest shall be paid within 60 days from the date on which the non-availability of the allotted plot and the consequent entitlement to refund are communicated to the complainant. If any balance sale consideration is already deposited by the concerned complainant pursuant to clause (a) above, it shall also be returned forthwith by Respondent No. 4, together with interest at the same rate, calculated from the date of such deposit until the date of actual repayment.

e) In the event any of the 38 complainants fails to remit the balance sale consideration within the period stipulated under clause (a), the benefit of registration granted under this order shall stand closed in respect of such complainant. Such complainant shall thereafter be entitled only to receive the principal advance amount held by Respondent No. 1 Society, subject to the account being permitted to be operated for the purpose of refund. Since the failure to complete the transaction in such cases would arise from the complainant's failure to comply

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY

with the opportunity granted under this order, and not from the subsequent inability of Respondent No. 4 to convey the allotted plot contemplated under clause (d), no separate liability towards interest shall arise against Respondent No. 4 under that clause.

f) Until compliance with the given directions Respondent Nos. 4 shall not alienate, encumber or create any third-party interest in the plots allotted to the 38 complainants.

g) The complainants are at liberty to seek compensation before the Adjudicating Officer under Sections 71 and 72. All other reliefs are rejected.

h) I.A. No. 17 of 2024 in I.A. No. 225 of 2025 is closed. The order dated 05.03.2024 in Misc. Appl. Nos. 2 and 3 of 2024 stands superseded by this order. I.A. No. 81 of 2026 is dismissed, for the reasons stated above.

i) Non-compliance with these directions shall render the defaulting respondent liable to penalty under Section 63 of the Act. The parties shall bear their own costs.

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

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