BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 216 of 2024
Dated: 17th August, 2026

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

Between

1. **V. Praveen Krishna**
2. **V. Manjula Praveen Krishna**
   Both R/o. Flat 303, Sri Jaya Prime,
   Madhura Nagar Colony, Nizampet,
   Hyderabad – 500090. ***…Complainant(s)***

And

1. **Trishakthi Homes Consultancy Private Ltd.,**
   Represented by its Chairman and Managing Director
   Mr. Veeranatham Srinivas Singh,
   C/o. Survey No. 43, 2nd Floor, Arka Rochish,
   Opp.: Union Bank of India, Khajaguda Road,
   Gachibowli, Ranga Reddy, Hyderabad- 500089.

2. **Mr. Veeranatham Srinivas Singh,**
   Chairman and Managing Director,
   C/o. Survey No. 43, 2nd Floor, Arka Rochish,
   Opp.: Union Bank of India, Khajaguda Road,
   Gachibowli, Ranga Reddy, Hyderabad- 500089.

3. **Mr. BrahmaJi,**
   Senior Director,
   C/o. Survey No. 43, 2nd Floor, Arka Rochish,
   Opp.: Union Bank of India, Khajaguda Road,
   Gachibowli, Ranga Reddy, Hyderabad- 500089.

4. **Mr. Rajaputra Krishna Srshasaila Singh,**
   Director M/s. Trishakthi Homes Consultancy Pvt. Ltd.,
   C/o. 2nd Floor, Trishakthi Towers,
   Khjaguda to Nanakramguda Road,
   Sai Vaibhav Layout, Chitrapuri Colony,
   Manikonda Jagir, Hyderabad- 500089.

5. **Trishakthi Group of Companies,**
Represented by its Chairman & Managing Director,
Mr. Veeranatham Srinivas Singh,
C/o. Survey No. 43, 2nd Floor, Arka Rochish,
Opp.: Union Bank of India, Khajaguda Road,
Gachibowli, Ranga Reddy, Hyderabad- 500089.

6. **Ms. Alivelu Yerra,**
Director M/s. Trishakthi Homes Consultancy Pvt. Ltd.,
C/o. H. No. 3-11-494, Plot No. 13020, 3rd Floor,
Shiva Ganga Colony, Opp. Street to Relaince Petrol Bunk,
Rajiv Gandhi Nagar, L.B. Nagar,
Hyderabad- 500074.

7. **Viswanatha Rao Tammineni,**
R/o. #1-23, Peddaveedhi, Vajrapukotturu,
Urndrukudiya, Srikakulam District,
Andhra Pradesh- 532220.

8. **Janachaitanya Housing Private Ltd.**
O/o. Mr. Sudhakar Madala, Managing
Director, Pasumalai Complex, 5/1,
Arundelpet Guntur, Andhra Pradesh – 522002.

The present matter filed by the Complainant mentioned herein-above came up for hearing before this Authority. Upon hearing the submissions of all the parties, this Authority proceeds to pass the following **ORDER**:

1. 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 "Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules") seeking appropriate relief(s) against the Respondent.

A. Brief facts of the Case as per Form M filed by Complainant

2. It is submitted by the complainants that during the month of May, 2022, upon coming across various social media promotions, advertisements and marketing campaigns, they approached Respondent No.1, namely Trishakthi Homes Consultancy Private Limited, which was holding TS RERA Agent Registration Certificate No. A02500001007.

3. The complainants submit that Respondent No.1 was promoting and marketing a real estate venture known as "Sree Rugveda Sree Brundavanam" situated at Bachupally and

Nedunuru Villages, Kandukur Mandal, Ranga Reddy District. It is further submitted that the office bearers of Respondent Nos.1 and 2, namely Mr. M.V.R. Vijay Kumar (Senior Director), Mr. D. Naresh (Senior Director) and Mr. Srinivas (Vice President), represented that the venture had obtained final approval from HMDA vide LP No.1/LO/PLg/SHZ/HMDA/2013 dated 25.11.2019 and was also approved under RERA.

4. It is submitted by the complainants that the said venture was extensively advertised through brochures, pamphlets, social media platforms and other promotional material, portraying the project as duly approved and authorized.

5. It is submitted by the complainants that Respondent Nos.1 and 2, through their Chairman and Managing Director Mr. Veeranatham Srinivas Singh, Mr. Brahmaji and other office bearers, represented that the project was a prestigious venture and that all statutory permissions, registrations and approvals had been obtained in respect thereof.

6. According to the complainants, they were assured that the project was fully compliant with all legal requirements, including HMDA and RERA approvals.

7. It is submitted by the complainants that Respondent Nos.1 and 2 further induced them to invest in the venture by representing that renowned personalities, including members of the family of film actor Victory Venkatesh, had purchased several plots in the project.

8. The complainants submit that they were informed that the project would witness appreciation in value ranging from 50% to 100% within a short period and that it was the only HMDA-approved venture within a radius of approximately 40 kilometres in Kandukur Mandal.

9. It is submitted by the complainants that Respondent Nos.1 and 2 arranged a site visit during May, 2022 and offered Plot Nos.229 and 230 for purchase. It is submitted that, based on the representations made by the respondents, the complainants paid a refundable token advance of ₹50,000/- through Paytm.

10. It is submitted by the complainants that the venture known as “Sree Rugveda Sree Brundavanam” is situated in Sy.Nos.144, 145/P, 148, 149/P, 151/P, 152/P and 222/P of Bachupally Village and Sy.Nos.663/P, 671/P and 672/P of Nedunuru Village, Kandukur Mandal, Ranga Reddy District.

11. It is submitted by the complainants that they sought time to obtain a legal opinion regarding the title and legality of the plots and the venture. In response, Respondent Nos.1 and

2 assured them that all payments would be duly acknowledged through receipts issued by Respondent No.1 and further assured that the entire amount paid by the complainants would be fully refundable in the event of withdrawal from the transaction or if any issue arose regarding the title, approvals, representations or promises made by the respondents.

12. It is submitted by the complainants that relying upon the representations, assurances and warranties extended by Respondent Nos.1 and 2, they agreed to purchase Plot No.229 admeasuring approximately 240.40 square yards and Plot No.230 admeasuring approximately 277.70 square yards at the rate of ₹9,999/- per square yard. It is further submitted that on 05.06.2022, the complainants paid a total sum of ₹52,20,479/- towards the sale consideration, which was represented to include registration and other incidental charges.

13. It is submitted by the complainants that the payments were received by the representatives of Respondent Nos.1 and 2 and acknowledgements were issued in respect thereof. The complainants state that handwritten receipts bearing the signatures of Mr. Naresh were initially issued and that thereafter several receipts and acknowledgements were issued on behalf of Respondent No.1 acknowledging receipt of the sale consideration.

14. It is submitted by the complainants that on 08.06.2022, shortly after receiving the entire sale consideration, Respondent Nos.1 and 2 demanded an additional amount of ₹10,00,000/- on the ground that there had been an error in measurement of Plot No.230. According to the respondents, the actual extent of Plot No.230 was 377.70 square yards instead of 277.70 square yards. The complainants submit that such demand was contrary to the original understanding reached between the parties, particularly when the entire sale consideration had already been paid.

15. It is submitted by the complainants that being aggrieved by the sudden demand for an additional amount, they expressed their intention to cancel the transaction and requested immediate refund of the amounts paid by them.

16. It is submitted by the complainants that thereafter Respondent Nos.1 and 2 persuaded them to undertake another site visit to verify the measurements. During such visit, the complainants allegedly noticed that the revised measurements extended beyond the wall that had earlier been represented as the boundary wall of the venture. Upon seeking clarification, Respondent Nos.1 and 2 allegedly informed them that the wall had in fact encroached upon neighbouring land and that discussions were underway with the neighbouring landowners and HMDA authorities to resolve the issue.

17. It is submitted by the complainants that they consequently came to the conclusion that Plot Nos.229 and 230 were unsuitable for their requirements and were affected by issues relating to title, measurements and encroachments. The complainants contend that the plots were problematic, litigation-prone and incapable of being conveyed in the manner originally represented by the respondents.

18. It is submitted by the complainants that despite being aware of the alleged encroachments and title-related issues, Respondent Nos.1 and 2 collected the entire sale consideration from them. It is further submitted that Respondent Nos.1 and 2 failed to establish any lawful title, right or authority over the subject plots and failed to furnish a satisfactory chain of title or ownership documents in respect thereof. According to the complainants, the respondents instead furnished documents relating to a different venture known as “Mahalaxmi Durga Ventures”.

19. It is submitted by the complainants that despite repeated requests for refund of the amounts paid by them, Respondent Nos.1 to 4 failed to return the money. The complainants further contend that Respondent Nos.1 to 4 informed them that the monies received from the complainants had been diverted or invested in various group entities and that the landowner, namely Respondent No.8, along with other persons associated with Respondent No.1, had benefited from the said amounts. The complainants therefore submit that the respondents refused to refund the amount of ₹52,20,479/- paid by them and continued to withhold the same despite repeated demands.

B. Relief Sought:

20. Accordingly, the Complainants sought the following reliefs:

i. *To direct the respondent Nos. 1 to 8, to repay us the balance sale consideration of Rs 42,20,479/- along with 36% interest per annum as shown hereunder:*
   a. *Principle balance due of Rs. 42,20,479/-*
   b. *Interest @36% p.a. on Rs. 52,20,479/- from 22-5-2022 to 10-12-2022 (for 202 days) (Rs. 18,79,372.44 / 365) amounting to Rs. 10,40,091/-.*
   c. *Interest at 36% on Rs. 42,20,479/- from 10-12-2022 till 12-8-2024 (for 610 days), (Rs. 18,79,372.44/365 x 610) amounting to Rs. 31,40,869/-.*
   d. *Total: 42,20,479 + 10,40,091 + 31,40,869; Grand total = Rs. 84,01,439/-.*

ii. *To direct Respondent No. 8 (Landowner/promoter), Respondent Nos. 1 and 2 (RERA agent & GPA Holder of Respondent No. 8) to get the entire venture/project registered with TG RERA immediately.*

iii. *To cancel/revoke/not to renew the TS RERA Agency registration certificate, bearing No. A02500001007 of the RERA AGENT I.E, RESPONDENT NO. 1 for blatantly violating the TS RERA rules & regulations.*

iv. *To direct Respondent Nos 1 to 8 not to sell, promote or register any plots in this venture without getting the project/venture registered with TG RERA.*

v. *To direct Respondent Nos 1 to 8 to enter into appropriate agreement for sale of land with all its customers as per TS RERA Act.*

vi. *To impose appropriate penalty under provision of Sec. 59 and 62 of the Act, at the rate of 5% of as on date project value on Respondent Nos. 1 to 8 and Respondent No. 10 for collecting greater than 10% (100%) of sale consideration without entering into any Agreement of sale with us.*

vii. *To impose appropriate penalties on the Respondents Nos. 1 to 8 and punish them under applicable provisions of the Act for deploying unfair trade practices and other malpractices.*

viii. *To call for the books of accounts, registers and records of Respondent Nos. 1 to 8 to the extent for dealing in properties not registered with TS RERA.*

ix. *To direct Respondent Nos. 1 to 8 not to facilitate, deal, sell, purchase or register any plots/properties which are not registered with TG RERA.*

x. *To direct Respondent Nos. 1 to 8 to destroy, not to use, display, propagate, print, advertise any brochures, pamphlets or other advertisement, media and material containing, displaying or appearing with TS RERA Agent Registration No. A02500001007, pertaining to the property under question and any other property not registered with RERA and mislead the general public at large.*

xi. *To direct Respondent Nos. 1 to 8 not to publicise properties which are not registered with TS RERA, in any manner including Youtube videos or other online media/social network platforms.*

xii. *To grant us all other relief/relieves as deemed fit and necessary in the interest of justice and equity.*

C. Counter filed by Respondent No. 6 &7

21. It is submitted by Respondent No. 7 that he, along with Ms. Alivelu Yerra, incorporated Trishakthi Homes Consultancy Private Limited in the year 2019 and was appointed as the first Director of the Company by virtue of the provisions of Section 152(1) of the Companies Act, 2013.

22. It is submitted that subsequent to the incorporation of the Company, an application was made before the Telangana Real Estate Regulatory Authority for registration as a Real Estate Agent, pursuant to which Agent Registration Certificate No. A02500001007 dated 27.12.2019 was granted in favour of the Company.

23. It is submitted that owing to personal reasons, Respondent No. 7 tendered his resignation from the Company on 05.04.2021 and ceased to be associated with the affairs of the Company. It is further submitted that he stood relieved from the position of Director with effect from 27.03.2021. In support of the same, reliance is placed upon the resignation letter

and the Master Data available on the Ministry of Corporate Affairs portal, copies whereof have been filed before this Authority.

24. It is submitted that the subsequent management of the Company failed to update the changes in the management structure before the Telangana Real Estate Regulatory Authority and, as a consequence, the name of Respondent No. 7 continued to be reflected in the records of the Authority.

25. It is submitted that, as per the averments made in the complaint itself, the first payment allegedly made by the complainants to the Company was on 22.05.2022 for a sum of ₹50,000/. Respondent No. 7 contends that he had already resigned from the Company on 27.03.2021, nearly one year prior to the commencement of the transactions relied upon by the complainants. Therefore, he had no role whatsoever in the transactions entered into between the complainants and the Company.

26. It is submitted that the allegations contained in the complaint regarding misuse and diversion of funds by Respondent No. 7 are wholly false, baseless and devoid of any factual foundation. Respondent No. 7 contends that having resigned from the Company in the year 2021, he could not have participated in, controlled, misused or diverted any funds allegedly received by the Company during the year 2022. It is submitted that the allegations are speculative in nature and have been made without any supporting material.

27. It is further submitted that Respondent No. 7 was neither directly nor indirectly associated with any of the entities referred to by the complainants, namely Trishakthi Group of Companies, Trishakthi Land Management LLP, Trivistha Ventures Private Limited, Trilochani Estates Private Limited and Srihans Estates and Projects Private Limited. It is specifically denied that Respondent No. 7 had any interest, involvement or connection with the affairs of the said entities.

28. It is submitted that Respondent No. 7 was not involved in any promotional, marketing or business activities undertaken by Respondent No. 1 after his resignation and had no participation in the transactions forming the subject matter of the present complaint.

Accordingly, Respondent No. 7 denies all allegations sought to be attributed to him and seeks dismissal of the complaint insofar as it relates to him.

D. Counter filed by Respondent No.8

29. It is submitted by Respondent No. 8 that the allegations made by the complainants regarding their approach to Trishakthi Homes Consultancy Private Limited during May 2022 and the representations allegedly made by the directors and office bearers of Respondent Nos. 1 and 2 concerning the venture situated at Bachupally and Nedunuru Villages, Kandukur Mandal, Ranga Reddy District, are not within the knowledge of Respondent No. 8.

30. It is further submitted that Respondent No. 8 denies that the said venture marketed by Respondent Nos. 1 and 2 in the manner alleged by the complainants was connected with Respondent No. 8. Though Respondent No. 8 admits that it had obtained HMDA approval vide L.P. No. 1/LO/Plg/SHZ/HMDA/2013 dated 25.11.2019, it submits that Respondent No. 1 was in no way concerned with the said venture except to the extent of certain independent business transactions.

31. It is submitted by Respondent No. 8 that the allegations regarding representations allegedly made by Respondent Nos. 1 and 2 and their directors concerning approvals, permissions, celebrity purchases, future appreciation of the venture, and the offer for sale of Plot Nos. 229 and 230 are not known to Respondent No. 8. It is further submitted that Respondent Nos. 1 and 2 had no right, authority or title in respect of Plot Nos. 229 and 230 to alienate the same to any third party.

32. It is submitted by Respondent No. 8 that the allegation that the venture known as “Sree Rugveda Sree Brundavanam” is situated in Sy. Nos. 144, 145/P, 148, 149/P, 151/P, 152 and 222/P of Bachupally Village and Sy. Nos. 663/P, 671/P and 672/P of Nedunuru Village, Kandukur Mandal, Ranga Reddy District and that the value of the venture is approximately ₹278 Crores is false and incorrect. Respondent No. 8 submits that it had developed a venture under the name “Sai Balaji Venture”. If Respondent Nos. 1 and 2 have chosen to market certain plots under a different name, namely “Sree Rugveda Sree Brundavanam”, the same is not within the knowledge of Respondent No. 8. Respondent No. 8 further submits that it has no knowledge regarding the amounts allegedly paid by the complainants to Respondent Nos. 1 and 2. The remaining allegations concerning dealings between the complainants and

Respondent Nos. 1 and 2 are stated to be matters exclusively between those parties and are neither admitted nor denied by Respondent No. 8 as it has no knowledge thereof.

33. It is submitted by Respondent No. 8 that the allegations regarding the booking of Plot Nos. 229 and 230 by the complainants, the payment of sale consideration amounting to ₹52,20,479/-, issuance of receipts and acknowledgements by Respondent Nos. 1 and 2, and all related transactions are not known to Respondent No. 8. It is further submitted that Respondent No. 8 is in no manner responsible for the transactions allegedly entered into between the complainants and Respondent Nos. 1 and 2.

34. It is submitted by Respondent No. 8 that the allegation that Respondent Nos. 1 and 2 demanded an additional amount of ₹10,00,000/- on the ground of variation in the extent of Plot No. 230 and the subsequent demand for refund by the complainants are matters exclusively between the complainants and Respondent Nos. 1 and 2. Respondent No. 8 states that it has no knowledge of such events and cannot be held responsible for the same.

35. It is submitted by Respondent No. 8 that all allegations relating to refund demands, issuance of cheques, dishonour of cheques and other transactions complained of by the complainants are directed against Respondent Nos. 1 and 2 and their office bearers. Respondent No. 8 submits that there is no allegation against it in relation to such transactions and that it has no knowledge regarding any refund arrangement, issuance of cheques or repayment commitments allegedly made by Respondent Nos. 1 and 2. Therefore, Respondent No. 8 denies any liability arising out of such transactions.

36. It is submitted by Respondent No. 8 that it is a company incorporated under the Companies Act, 1956 and has been engaged in the real estate business for the last three decades. During the course of its business, Respondent No. 8 developed a venture situated in Sy. Nos. 144, 145/P, 148, 149/P, 151/P, 152 and 222/P of Bachupally Village and Sy. Nos. 663/P, 671/P and 672/P of Nedunuru Village, Kandukur Mandal, Ranga Reddy District admeasuring Ac.57-20 Guntas.

37. It is submitted that the HMDA authorities initially issued draft layout proceedings in the year 2008 and thereafter granted final layout approval vide L.P. No. 1/LO/Plg/SHZ/HMDA/2013 dated 25.11.2019.

38. It is submitted by Respondent No. 8 that after obtaining the final layout approval, it alienated certain plots in the said venture in favour of Respondent Nos. 1 and 2 through

registered sale deeds and Agreement of Sale-cum-General Power of Attorney transactions. It is submitted that such transactions were purely commercial transactions between independent entities. Respondent No. 8 specifically denies that Respondent Nos. 1 and 2 were its agents or employees.

39. It is further submitted by Respondent No. 8 that it continues to be the owner and possessor of Plot Nos. 229 and 230. If Respondent Nos. 1 and 2 misled the complainants in relation to the said plots, Respondent No. 8 cannot be held responsible for the same as there existed no relationship between Respondent No. 8 and Respondent Nos. 1 and 2 other than that of vendor and vendee.

40. It is submitted by Respondent No. 8 that the complainants and Respondent Nos. 1 and 2 have colluded with each other and instituted the present complaint with an oblique motive to cause loss and prejudice to Respondent No. 8. It is further submitted that the documents relied upon by the complainants do not support their case.

41. It is submitted by Respondent No. 8 that reliance placed by the complainants on the Memorandum of Understanding is misplaced as Respondent No. 8 is not a party to the said Memorandum of Understanding. Respondent No. 8 further submits that the legal opinion obtained by the complainants has no legal sanctity and is not binding on any person.

42. It is pointed out that even according to the said legal opinion, Janachaitanya Housing Private Limited had not alienated Plot Nos. 229 and 230 in favour of Trishakthi Homes Consultancy Private Limited or Maha Lakshmi Durga Developers. Therefore, Respondent No. 8 contends that the present complaint is not maintainable against it. Accordingly, Respondent No. 8 seeks dismissal of the complaint as against it.

E. Rejoinder filed by the Complainant to the Counter filed by Respondent No. 7

43. It is submitted by the complainants that Respondent Nos. 6 and 7 collectively hold 100% of the shareholding of Respondent No. 1 Company, each holding 50% of the shares. It is further submitted that there are no other shareholders in the Company and, therefore, Respondent Nos. 6 and 7 are the sole and significant beneficiaries of Respondent No. 1 Company, exercising substantial interest, influence and control over its affairs.

44. It is submitted by the complainants that Respondent Nos. 6 and 7 are the ultimate beneficiaries of the transactions undertaken by Respondent No. 1 Company, including the

amount of ₹52,20,479/- paid by the complainants into the bank account of Respondent No. 1 Company.

45. It is submitted by the complainants that Respondent Nos. 6 and 7 have deliberately suppressed material facts relating to their status as significant beneficiaries and interest holders in Respondent No. 1 Company. According to the complainants, such suppression has been made with an intention to evade responsibility, avoid liability and escape the proceedings before this Authority.

46. It is submitted by the complainants that the resignation of Respondent Nos. 6 and 7 from the position of Directors does not alter or affect their status as promoters, significant beneficiaries, shareholders and interest holders of Respondent No. 1 Company.

47. It is submitted by the complainants that the annual returns and corporate records maintained by the Registrar of Companies continue to reflect the names of Respondent Nos. 6 and 7 in the shareholding pattern of Respondent No. 1 Company. According to the complainants, these records conclusively establish that Respondent Nos. 6 and 7 continue to remain shareholders and significant beneficiaries of the Company.

48. It is submitted by the complainants that the averments made by Respondent No. 7 in his reply disclose that he remains in communication with Respondent Nos. 1 to 5. The complainants contend that Respondent No. 7 himself admits that upon receiving notice in the present proceedings, he contacted the management of Respondent No. 1 Company and was informed that discussions were ongoing with the complainants and that there was nothing to worry about. According to the complainants, this establishes the close relationship and continuing association between Respondent No. 7 and the remaining respondents.

49. It is submitted by the complainants that while Respondent Nos. 1 to 5 allegedly chose not to appear before the Authority and evaded service of notices, Respondent Nos. 6 and 7 continued to remain in communication with them and were aware of developments concerning the dispute. The complainants contend that such conduct demonstrates a continuing commonality of interest amongst the respondents.

50. It is submitted by the complainants that Respondent Nos. 1 to 5 deliberately avoided participation in the proceedings and, instead, Respondent Nos. 6 and 7 chose to file replies through a common representative. According to the complainants, such conduct was intended

to delay the proceedings and cause wrongful loss to the complainants while protecting the interests of the respondents.

51. It is submitted by the complainants that Respondent Nos. 6 and 7 have suppressed and concealed material facts concerning their shareholding, beneficial interests and continuing involvement with Respondent No. 1 Company. The complainants contend that the replies filed by Respondent Nos. 6 and 7 are not bona fide and have been filed without full and complete disclosure of the relevant facts.

52. It is submitted by the complainants that Respondent Nos. 6 and 7, being the original directors, promoters and continuing shareholders of Respondent No. 1 Company, are duty bound to assist this Authority by ensuring the appearance of Respondent Nos. 1 to 5 and by disclosing their current and actual contact details. According to the complainants, Respondent Nos. 6 and 7 are in a position to furnish such details as they admittedly remained in communication with the management of Respondent No. 1 Company after receiving notice of the present proceedings.

53. It is submitted by the complainants that Respondent Nos. 6 and 7, having received assurances from Respondent Nos. 1 to 5 regarding the transactions in question, cannot now seek to distance themselves from the affairs of Respondent No. 1 Company. The complainants contend that such conduct demonstrates their continuing interest in and connection with the affairs of the Company.

54. It is submitted by the complainants that Respondent Nos. 6 and 7, as the sole and significant shareholders and beneficiaries of Respondent No. 1 Company, are under both a moral and legal obligation to address the grievances of the complainants, particularly when the receipt of the complainants' money by Respondent No. 1 Company has never been denied.

55. It is submitted by the complainants that although notices issued in the present proceedings were reportedly not served upon various respondents, Respondent Nos. 6 and 7 nevertheless appeared and participated in the proceedings after obtaining information from Respondent Nos. 1 to 5. According to the complainants, this circumstance demonstrates that Respondent Nos. 6 and 7 possess significant influence over Respondent Nos. 1 to 5 and maintain continuing contact with them.

56. It is submitted by the complainants that the conduct of all the respondents reveals a common pattern of dealing with notices, communications and proceedings initiated either by

the complainants or by the Authority. The complainants further contend that Respondent Nos. 6 and 7 continue to be reflected as signatories and authorized persons in relation to the RERA business and affairs of Respondent No. 1 Company.

57. It is therefore submitted by the complainants that Respondent No. 7, by virtue of holding 50% shareholding and beneficial interest in Respondent No. 1 Company, is liable to satisfy at least 50% of the claim amount sought by the complainants and ought to be held accountable to that extent.

F. Rejoinder filed by the Complainant to the Counter filed by Respondent No. 8

58. It is submitted by the complainants that Respondent No. 8, being the original landowner and developer of the venture, was under a duty to exercise due diligence and oversight over all transactions concerning its property. By failing to supervise and regulate the activities of Respondent Nos. 1 and 2, Respondent No. 8 enabled fraudulent sales, misrepresentations and financial misconduct. Had adequate safeguards been implemented by Respondent No. 8, the complainants would not have suffered substantial financial loss. Such negligence on the part of Respondent No. 8 establishes its liability in the present matter.

59. It is submitted by the complainants that Respondent No. 8 is deliberately attempting to minimize and misrepresent its role in the transactions relating to the subject plots. The executed General Powers of Attorney, land records and financial transactions clearly demonstrate the direct involvement of Respondent No. 8 in the venture. The attempt of Respondent No. 8 to shift the entire responsibility onto Respondent Nos. 1 and 2 is an afterthought devised only to evade accountability.

60. It is submitted by the complainants that even after becoming aware of the fraudulent activities allegedly committed by Respondent Nos. 1 and 2, Respondent No. 8 failed to take any steps to address the grievances of the complainants. No public notice was issued warning prospective purchasers, no legal proceedings were initiated against Respondent Nos. 1 and 2, and no effort was made to ensure refund of the amounts paid by the complainants. Such inaction demonstrates a deliberate attempt to avoid financial responsibility.

61. It is submitted by the complainants that Respondent No. 8 has failed to disclose material particulars concerning its financial transactions with Respondent Nos. 1 and 2. The complainants contend that if Respondent Nos. 1 and 2 were truly independent parties, Respondent No. 8 ought to have produced evidence establishing that it did not derive any

benefit from the amounts collected from purchasers. According to the complainants, the available records indicate that the sale proceeds were ultimately linked to Respondent No. 8, thereby making it a beneficiary of the impugned transactions.

62. It is submitted by the complainants that even assuming Respondent Nos. 1 and 2 acted beyond their authority, the principle of vicarious liability would apply. It is contended that a principal is liable for acts committed by its agents when such acts result in financial loss to third parties. Having granted General Powers of Attorney and authorized Respondent Nos. 1 and 2 to undertake transactions in relation to the venture, Respondent No. 8 cannot now seek to portray itself as an uninvolved party.

63. It is submitted by the complainants that Respondent No. 8 continues to retain ownership of Plot Nos. 229 and 230 despite the entire consideration having been paid by the complainants through Respondent Nos. 1 and 2. The complainants contend that Respondent No. 8 has unjustly enriched itself by retaining the benefits arising out of the transaction while simultaneously denying liability. Such conduct, according to the complainants, is inequitable and contrary to settled legal principles governing unjust enrichment.

64. It is submitted by the complainants that they may be permitted to place additional evidence on record, including electronic communications such as WhatsApp messages and other relevant material, for the purpose of rebutting the contentions raised by Respondent No. 8 and to place the true facts before the Authority.

65. It is submitted by the complainants that the stand taken by Respondent No. 8 that it had no knowledge of the advertisements and promotional activities undertaken by Respondent Nos. 1 to 7 is false and contrary to the record. The complainants contend that Respondent No. 8 itself admits having developed the venture and having obtained the HMDA approvals in respect thereof. Therefore, its attempt to deny knowledge of the promotional activities relating to the very same venture is untenable.

66. It is submitted by the complainants that Respondent No. 8 has admitted having entered into numerous transactions through registered AGPAs and sale deeds involving Respondent Nos. 1 and 2. Such admitted transactions demonstrate the close commercial relationship between Respondent No. 8 and Respondent Nos. 1 and 2 and establish that Respondent No. 8 exercised control over the manner in which plots within the venture were marketed and sold.

67. It is submitted by the complainants that Respondent No. 8 was the principal, issuer of GPAs, controller of the venture and ultimate beneficiary of the land transactions undertaken within the layout. Consequently, the denial of knowledge regarding the advertisements, sale transactions and representations made in relation to the venture is stated to be false and misleading.

68. It is further submitted by the complainants that Respondent No. 1, in its correspondence addressed to the complainants, specifically referred to Janachaitanya Housing Limited as the landlord and stated that issues concerning Plot No. 229 had arisen on account of disputes between the landlord and neighbouring landowners. According to the complainants, such correspondence directly connects Respondent No. 8 to the subject transaction.

69. It is submitted by the complainants that Respondent No. 8 has admitted that Plot Nos. 229 and 230 were never alienated either in favour of Respondent Nos. 1 and 2 or in favour of the complainants. At the same time, Respondent Nos. 1 and 2 received the entire sale consideration of ₹52,20,479/- in respect of the said plots. The complainants contend that Respondent No. 8 cannot disclaim responsibility while simultaneously retaining ownership and control over the subject plots.

70. It is submitted by the complainants that Respondent Nos. 1 and 2 dealt with Plot Nos. 229 and 230 with the active consent, knowledge and connivance of Respondent No. 8. The complainants further contend that the entire sale consideration collected from them was credited to the account of Respondent No. 8. Despite claiming that Respondent Nos. 1 and 2 had no authority over the plots, Respondent No. 8 never initiated any legal proceedings against them nor took any action to prevent such dealings.

71. It is submitted by the complainants that the valuation of approximately ₹278 Crores mentioned in the complaint was only a mathematical computation based upon the extent of the layout and the prevailing rate per square yard. The complainants contend that while disputing such valuation, Respondent No. 8 has not disclosed the actual value of the venture despite being the owner and developer thereof. According to the complainants, such information is necessary for determining the penalties and consequences arising under the provisions of the Real Estate (Regulation and Development) Act, 2016.

72. It is submitted by the complainants that the contention of Respondent No. 8 that Respondent Nos. 1 and 2 merely changed the name of a few plots from “Sai Balaji Venture” to “Sree Rugveda Sree Brundavanam” is false. The advertisements and promotional material

relied upon by the complainants demonstrate that the entire layout consisting of 419 plots was marketed under the latter name, including Plot Nos. 229 and 230 which continue to remain under the ownership of Respondent No. 8.

73. It is submitted by the complainants that the admitted AGPAs and sale deeds relied upon by Respondent No. 8 establish that Respondent Nos. 1 and 2 acted as agents facilitating transactions in the venture and that Respondent No. 8 acted as the principal. According to the complainants, the established course of conduct between the parties demonstrates a continuing commercial arrangement under which Respondent Nos. 1 and 2 solicited purchasers and facilitated transfers in respect of plots belonging to Respondent No. 8.

74. It is submitted by the complainants that Respondent No. 8, through its own pleadings, has acknowledged the existence of numerous AGPAs and sale deeds executed in relation to the venture. According to the complainants, such transactions establish that Respondent No. 8 permitted Respondent Nos. 1 and 2 to collect amounts from prospective purchasers, including the complainants, and therefore cannot escape liability arising from those transactions.

75. It is submitted by the complainants that they have suffered immense hardship, financial loss and mental agony on account of the failure of the respondents to either register Plot Nos. 229 and 230 in their favour or refund the amounts paid by them. Despite retaining ownership of the plots and despite receiving benefits from the transactions, Respondent No. 8 continues to deny responsibility.

76. It is submitted by the complainants that it is incorrect to characterize the relationship between Respondent No. 8 and Respondent Nos. 1 and 2 as a mere vendor-vendee relationship. The complainants contend that the overall course of dealings, AGPAs, sale transactions and representations made in relation to the venture establish a principal-agent relationship between the parties.

77. It is submitted by the complainants that a Memorandum of Understanding dated 21.03.2022 was entered into between Respondent Nos. 1 and 2 and Maha Laxmi Durga Developers for a period extending up to 20.03.2023. Under the said arrangement, it was represented that 282 plots, including Plot Nos. 229 and 230, were proposed to be sold. According to the complainants, the circumstances surrounding the said arrangement raise serious questions regarding the conduct of Respondent No. 8, which now seeks to distance itself from the transaction on the ground that it was not a signatory to the Memorandum of Understanding.

78. It is submitted by the complainants that the cumulative effect of the documents and transactions on record establishes that the failure of the transaction relating to Plot Nos. 229 and 230 is attributable to the acts and omissions of Respondent No. 8 as well as Respondent Nos. 1 to 7. Accordingly, all respondents are stated to be jointly and severally liable for the losses suffered by the complainants.

79. It is submitted by the complainants that the legal opinion obtained by them cannot be disregarded as lacking sanctity. According to the complainants, the legal opinion corroborates that Respondent Nos. 1 and 2 did not possess title to Plot Nos. 229 and 230, yet proceeded to deal with and offer the said plots for sale. It further confirms that title to the plots continued to remain with Respondent No. 8. The complainants contend that these facts, which are substantially admitted by Respondent No. 8 itself, clearly establish the maintainability of the complaint against Respondent No. 8.

80. It is submitted by the complainants that the actions of Respondent Nos. 1 to 8 disclose violations of the provisions of the Real Estate (Regulation and Development) Act, 2016, including breaches of the duties cast upon promoters and real estate agents. The complainants further contend that the conduct of the respondents amounts to unfair trade practice and deliberate misrepresentation resulting in substantial financial loss.

81. It is submitted by the complainants that Respondent No. 8 is liable for the consequences arising under the provisions of the Real Estate (Regulation and Development) Act, 2016, including the imposition of penalties and such other action as may be warranted for the violations alleged in the complaint.

G. Observations of the Authority:

82. In the present matter, despite due service of notices and the grant of several opportunities, Respondent Nos.1 to 5 have failed to appear either in person or through any authorized representative, and no written statement or documentary evidence has been filed on their behalf. Respondent Nos.6, 7 and 8 alone have entered appearance and filed their respective counters.

83. Accordingly, Respondent Nos.1 to 5 are set ex parte, and the case as against them is adjudicated on the basis of the material placed on record and the submissions advanced by the Complainants and by Respondent Nos.6, 7 and 8.

84. The questions that arise for determination before this Authority are:

(i) Whether the project within whose layout Plot Nos.229 and 230 are situated required registration under the RE(R&D) Act, 2016, and whether it was in fact registered;

(ii) Whether Respondent Nos.1 and 8 have contravened the provisions of the Act in relation to such registration and the marketing/sale of the project;

(iii) Whether the Complainants are entitled to refund of the amount paid by them, and if so, from whom, in what amount, and with what interest;

(iv) Whether the remaining reliefs claimed at prayers (ii) to (xi) of the Complaint are warranted; and

(v) Whether Respondent Nos.6 and 7 are personally liable in the present proceedings.

85. The following facts are not in dispute. The Complainants agreed to purchase Plot No.229 (admeasuring approximately 240.40 square yards) and Plot No.230 (admeasuring approximately 277.70 square yards, later stated by Respondent No.1 to measure 377.70 square yards) forming part of a project marketed as "Sree Rugveda Brundavanam Hills" at Bachupally and Nedunuru Villages, Kandukur Mandal, Ranga Reddy District, and paid a total sale consideration of Rs. 52,20,479/- (Rupees Fifty-Two Lakh Twenty Thousand Four Hundred and Seventy-Nine Only) by way of cash and cheques. Out of the total sale consideration, the final payment of Rs. 30,20,479/- (Rupees Thirty Lakh Twenty Thousand Four Hundred and Seventy-Nine Only), being the balance sale consideration, was paid by cheque on 07.06.2022. Respondent No.1 holds TG RERA Real Estate Agent Registration Certificate No. A02500001007. It has been admitted by the Respondent No. 8 that it being a company registered under the Companies Act, 1956, functions as a real estate business wherein they have developed a venture situated in Sy. Nos. 144, 145/P, 148, 149/P, 151/P, 152 AND 222/P of Bachupally Village and Sy. Nos. 663/P, 671/P and 672/P of Nendunuru Villages Kandukur Mandal, Ranga Reddy District to an extent of Ac. 57-20 Gts. Respondent No.8 also admits that it is the landowner and developer of the layout carved out in the very survey numbers in which Plot Nos.229 and 230 are situated, that it holds HMDA layout approval vide L.P.No.1/LO/Plg/SHZ/HMDA/2013 dated 25.11.2019, that the name of the project is "Sri Balaji Venture" and that Plot Nos.229 and 230 continue to remain in its ownership and possession, never having been alienated to Respondent No.1.

86. Before proceeding to determine the liability of the Respondents and the consequential penal action, this Authority considers it necessary to clarify the nomenclature of the project

involved in the present proceedings. The material on record, including the pleadings of Respondent No.8, establishes that the underlying layout/project situated in the relevant survey numbers was originally developed and held by Respondent No.8, Janachaitanya Housing Private Limited, under the name "Sai Balaji Venture". Respondent No.8 had undertaken development of the said layout and had dealt with plots therein through registered instruments in favour of Respondent No.1 and other entities.

87. It is further evident from the record that Respondent No.1, Trishakthi Homes Consultancy Private Limited, subsequently undertook the marketing, promotion and offering for sale of plots forming part of the very same layout/project under the name "Sree Rugveda Brundavanam Hills". The adoption of a different name by Respondent No.1 for the purpose of marketing and advertisement does not, in the facts of the present case, result in the creation of a separate or independent real estate project. The land, survey numbers, layout and plots in question, including Plot Nos.229 and 230, remain the same underlying project developed by Respondent No.8.

88. Accordingly, for the purposes of the present proceedings, this Authority shall treat "Sai Balaji Venture" and "Sree Rugveda Brundavanam Hills" as referring to the same underlying real estate project/layout, notwithstanding the different nomenclature adopted in the documents, brochures, advertisements or other promotional material. The change of nomenclature by Respondent No.1 cannot be relied upon to create a distinction between two separate projects or to avoid the statutory obligations arising in respect of the underlying project.

89. It is therefore clarified that the liability of Respondent No.8 arises in its capacity as the landowner/promoter and developer of the underlying project, while the liability of Respondent No.1 arises from its independent acts as the registered real estate agent in marketing, advertising, booking and facilitating the sale of plots in the same project.

90. The fact that Respondent No.1 marketed the project under the name "Sree Rugveda Brundavanam Hills" does not sever the connection between its acts and the project originally developed and held by Respondent No.8, nor does it make the marketed project a separate project for the purposes of the Real Estate (Regulation and Development) Act, 2016.

91. Consequently, wherever the project is referred to hereafter in this Order for the purpose of determining statutory compliance, liability or penal consequences, such reference shall be

understood as referring to the same underlying project/layout, irrespective of whether it is described as “Sai Balaji Venture” or “Sree Rugveda Brundavanam Hills.”

Issue (i) & (ii)

92. Neither Respondent No.1 nor Respondent No.8 has produced any certificate of registration issued under Section 5 of the RE(R&D) Act, 2016 in respect of the project/layout in which Plot Nos.229 and 230 are situated whether described as “Sai Balaji Venture” or as “Sree Rugveda Sree Brundavanam”. Respondent No.8's own pleadings, admitting that it developed the layout in the said survey numbers, obtained HMDA approval, and alienated certain plots therein to Respondent No.1 through registered instruments, establish that the layout was being offered for sale to the public and therefore fell squarely within the registration requirement under Sections 3 and 4 of the RE(R&D) Act, 2016.

93. Respondent No.8's attempt to distance itself on the ground that Respondent Nos.1 and 2 marketed the plots under a different name does not assist it. The obligation to register under Sections 3 of the RE(R&D) Act, 2016 attaches to the project/layout as such, not to the label used to advertise it. Once Respondent No.8 admits that it is the developer/landowner of the layout in the very survey numbers in which Plot Nos.229 and 230 are situated, and that these very plots continue to remain in its ownership, and Respondent No.8 own reply states that it has been alienating the property for further sale, the distinction it seeks to draw between the two names is immaterial to the finding on registration, and this admission is significant in fixing liability of Respondent Nos.8 for non-registration under Sections 3 of the RE(R&D) Act, 2016.

94. The brochure produced by the Complainants establishes that the project was publicly marketed under the name "Sree Rugveda Brundavanam Hills" in respect of land situated in Sy. Nos. 144, 145/P, 148, 149/P, 151/P, 152 and 222/P of Bachupally Village and Sy. Nos. 663/P, 671/P and 672/P of Nedunuru Village, Kandukur Mandal, Ranga Reddy District, which corresponds to the very layout developed by Respondent No.8 as per Respondent No. 8 submissions. It is pertinent to note that the brochure bears the name of Trishakthi Homes Consultancy Private Limited (Respondent No.1) and prominently displays its TG RERA Real Estate Agent Registration No. A02500001007, while simultaneously representing that the venture had obtained HMDA Final Layout Approval vide L.P. No.01/LO/PLG/HMDA/SHZ/2013 dated 25.11.2019. The brochure further depicts the layout plan containing Plot Nos.1 to 219, 223 to 274 and 276 to 418 along with the proposed amenities,

thereby evidencing that the project was actively advertised and offered for sale to the general public.

95. Respondent No.8 through its own submission has admitted that it is the owner and developer of the layout comprised in the aforesaid survey numbers, that it obtained HMDA layout approval, and that it alienated several plots in the layout through registered sale deeds and Agreement of Sale-cum-General Power of Attorney. However, as per Respondent No. 8 submission Plot Nos.229 and 230 were not alienated and therefore continue to remain in their ownership. These admissions unequivocally establish that Respondent No.8 is the promoter of the real estate project within the meaning of Section 2(zk) of RE(R&D) Act, 2016. Section 2(zk) of the RE(R&D) Act, 2016 is of relevance:

> *"2 (zk) "promoter" means,—*
>
> *(i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees; or*
>
> *(ii) a person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project, whether with or without structures thereon; or*
>
> *(iii) any development authority or any other public body in respect of allottees of—*
>
> *(a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the Government; or*
>
> *(b) plots owned by such authority or body or placed at their disposal by the Government, for the purpose of selling all or some of the apartments or plots; or*
>
> *iv) an apex State level co-operative housing finance society and a primary co- operative housing society which constructs apartments or buildings for its Members or in respect of the allottees of such apartments or buildings; or*
>
> *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."*

Therefore, as per Section 2(zk)(ii) of the Real Estate (Regulation and Development) Act, 2016 Respondent No. 8 namely M/s. Janachaitanya Housing Pvt. Ltd. falls under the expression of "promoter" in an inclusive manner.

96. Despite such admissions being made, Respondent No.8 has failed to produce any certificate of registration issued under Section 5 of the RE(R&D) Act, 2016 in respect of the project. The obligation under Sections 3 of the RE(R&D) Act, 2016 is mandatory and prohibits a promoter from advertising, marketing, booking or offering for sale any plot in a real estate project without first obtaining registration from the Authority. The description adopted for marketing the venture, whether as "Sai Balaji Venture" or "Sree Rugveda Brundavanam Hills", is wholly immaterial, as the statutory obligation attaches to the project itself and not to the nomenclature under which it is advertised.

97. It bears reiteration that under Section 3 of the Real Estate (Regulation and Development) Act, 2016, no promoter shall advertise, market, book, sell, offer for sale or invite persons to purchase any apartment, plot or building in a real estate project without first obtaining registration of such project with the Real Estate Regulatory Authority. The prohibition contained in Section 3 of RE(R&D) Act, 2016 is mandatory in nature and forms the very foundation of the regulatory framework established under the RE(R&D) Act,2016, ensuring that prospective purchasers deal only with projects that have been subjected to statutory scrutiny and are registered with the Authority.

98. Accordingly, this Authority is satisfied that the Respondent No. 8 has contravened the provisions of Section 3 of the Real Estate (Regulation and Development) Act, 2016 and is, therefore, liable to be proceeded against under Section 59 of the RE(R&D) Act, 2016 in accordance with law. The Secretary, TG RERA, is hereby directed to initiate steps for imposition of penalty under Section 59 of the Real Estate (Regulation and Development) Act, 2016 against the Respondent for contravention of the provisions of Section 3 of the RE(R&D) Act, 2016.

99. Further, the material placed on record establishes that Respondent No.1, though registered only as a real estate agent under Registration Certificate No. A02500001007, actively marketed and promoted the project by issuing brochures and promotional material bearing its (Agent) RERA registration number, collecting booking amounts and the entire sale consideration from the Complainants, and facilitating the proposed sale of Plot Nos.229 and

230. The record also contains the pre-launch offer communication by way of a letter dated 02.04.2022 issued by Respondent No.1 announcing sale of plots in the project, which clearly demonstrates that Respondent No.1 undertook booking and marketing activities in respect of the project “Sree Rugveda Brundavanam Hills".

100. Respondent No.1, being a registered real estate agent, was under an independent statutory obligation not to facilitate sale of any plot in a project required to be, but not, registered with the Authority, and not to make representations concerning approvals which the project did not possess. Section 10 of the Act, which governs the functions of real estate agents, is reproduced below:

> *“Section 10. Functions of real estate agents.—Every real estate agent registered under section 9 shall—*
> *(a) not 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 sold by the promoter in any planning area, which is not registered with the Authority;*
> *(b) maintain and preserve such books of account, records and documents as may be prescribed;*
> *(c) not involve himself in any unfair trade practices, namely:—*
> *(i) the practice of making any statement, whether orally or in writing or by visible representation which—*
> *(A) falsely represents that the services are of a particular standard or grade;*
> *(B) represents that the promoter or himself has approval or affiliation which such promoter or himself does not have;*
> *(C) makes a false or misleading representation concerning the services;*
> *(ii) permitting the publication of any advertisement whether in any newspaper or otherwise of services that are not intended to be offered.*
> *(d) facilitate the possession of all the information and documents, as the allottee, is entitled to, at the time of booking of any plot, apartment or building, as the case may be;*
> *(e) discharge such other functions as may be prescribed.”*

101. In the present case, Respondent No.1 actively promoted and facilitated the sale of plots in the project “Sree Rugveda Brundavanam Hills" which admittedly was not registered under the RE(R&D) Act, 2016. It represented the project as a HMDA-approved venture, advertised the project under its own banner by displaying its RERA Agent Registration Number and communicated such advertisement by way of brochure as well as the pre-launch offer letter dated 02.04.2022, accepted the entire sale consideration from the Complainants, and proceeded with the transaction without ensuring that the project had been registered as mandated under

Section 3 of the RE(R&D) Act, 2016. The contravention stood complete on the date the Respondent advertised, booked issued the pre-launch offer letter dated 02.04.2022 in respect of the project without obtaining prior registration. Such conduct constitutes a clear violation of the obligations cast upon a registered real estate agent under Section 10 of the RE(R&D) Act, 2016.

102. On the facts admitted and placed on record, the collection of the entire sale consideration without registering project "Sree Rugveda Brundavanam Hills", and the admitted absence of any registration certificate for the project, this Authority, holds that Respondent No.1 has acted in violation of Section 10 of the RE(R&D) Act, 2016, and that Respondent No.8, as the landowner/promoter of the project in whose layout Plot Nos.229 and 230 are situated, has acted in violation of Sections 3 of the RE(R&D) Act by permitting sale activity in the project without registration.

Issue (iii)

103. Having found that the project was required to be, but was not, registered under the RE(R&D) Act, 2016, and that it was marketed and sold to the Complainants on the strength of representations including represented HMDA and RERA approval, prospective appreciation and celebrity ownership, that no Respondent has substantiated, this Authority holds that the Complainants are entitled to withdraw from the project and to claim refund of the entire amount paid by them, together with interest under Section 18 of the RE(R&D) Act, 2016.

104. The Complainants have placed on record a letter issued by Respondent No.1, under the signature of its Director Mr. Rajaputra Krishna Sesha Saila Singh, acknowledging that the Complainants had opted for refund of the amount paid towards Plot Nos.229 and 230, recording that ₹10,00,000/- (Rupees Ten Lakh Only) had already been refunded through Cheque No.726006 dated 06.12.2022, and undertaking to refund the balance through further cheques of ₹15,00,000/- (Rupees Fifteen Lakh Only), ₹7,20,479/- (Rupees Seven Lakh Twenty Thousand Four Hundred Seventy Nine Only) and ₹20,00,000/- (Rupees Twenty Lakh Only) all of which were dishonoured on presentation.

105. The Complainants have further placed on record a subsequent letter of Respondent No.1 recording that, having been offered alternate plots which they did not accept, the Complainants opted for refund of the entire balance on 16.10.2023, and that Respondent No.1 undertook to

refund ₹42,20,479/- through Cheque No.726133 dated 02.11.2023 for ₹22,20,479/- (Rupees Twenty Two Lakh Twenty Thousand Four Hundred Seventy Nine Only) and Cheque No.726134 as guarantee for the remaining ₹20,00,000/- (Rupees Twenty Lakh Only), both of which were also dishonoured. These letters remain unrebutted, as Respondent No.1 failed to appear before this Authority.

106. As regards Respondent No. 8, this Authority has already held hereinabove that it has acted in contravention of Sections 3 of the Real Estate (Regulation and Development) Act, 2016 by permitting sale activity in respect of an unregistered real estate project. However, insofar as the liability to refund the consideration received from the Complainants is concerned, the material available on record establishes that the entire sale consideration of ₹52,20,479/- (Rupees Fifty Two Lakh Twenty Thousand Four Hundred Seventy Nine Only) was received and acknowledged solely by Respondent No. 1. Respondent No. 8 has consistently denied having received any portion of the said consideration and the Complainants have failed to place any cogent material, including bank statements, accounts or any other documentary evidence, to demonstrate that any part of the sale consideration was either received by, or applied for the benefit of, Respondent No. 8.

107. Further, as per the submissions made by the Complainant a sum of Rs. 10,00,000/- (Rupees Ten Lakhs Only) was received from Respondent Nos. 1 & 2 and by way of cheque number 726006 dated 06.12.2022 out of the total sale consideration paid of Rs. 52,20, 479/- (Rupees Fifty Two Lakh Twenty Thousand Four Hundred Seventy Nine Only). The same has been substantiated by way of a correspondence issued by Respondent No.1, signed by Respondent No.4 namely Mr. Rajapurtra Krishna Sesha Saila Singh, which acknowledges that in furtherance of letter dated 28.09.2022 issued by Respondent No.1 to the Complainants herein, a refund of Rs. 10,00,000/- (Rupees Ten Lakhs Only) was issued by way of cheque number 726006 dated 06.12.2022, thereby acknowledging both the receipt of the consideration and the corresponding obligation to refund the same. In these circumstances, while Respondent No. 8 shall remain liable for the statutory violations committed by it under the RE(R&D) Act, 2016, the liability to refund the sale consideration shall rest upon Respondent No. 1 alone.

108. Accordingly, Respondent No. 1 is directed to refund to the Complainants the balance of Rs. 42,20,479/- (Rupees Forty Two Lakh Twenty Thousand Four Hundred Seventy Nine Only) out of the total sale consideration of ₹52,20,479/- (Rupees Fifty-Two Lakhs Twenty Thousand Four Hundred and Seventy-Nine Only).

109. As regards the claim for interest, the Complainants have sought interest at the rate of 36% per annum, quantified at ₹10,40,091/- (Rupees Ten Lakh Forty Thousand Ninety One Only) and ₹31,40,869/- (Rupees Thirty One Lakh Forty Thousand Eight Hundred Sixty Nine Only) respectively for the respective periods mentioned in Prayer (i) of the Complaint. However, no contractual stipulation, statutory provision, or other legal basis has been placed on record to justify the award of interest at the said rate. The claim for interest at 36% per annum is, therefore, rejected. Nevertheless, the Complainants are entitled to statutory interest on the amount directed to be refunded.

110. Accordingly, Respondent No. 1 shall pay interest on the refundable amount at the rate prescribed under the Telangana Real Estate (Regulation and Development) Rules, 2017, namely, the State Bank of India's highest Marginal Cost of Lending Rate (MCLR) plus two per cent, calculated from 07.06.2022, being the date of final payment of the sale consideration, until the date of actual realization.

Issue (iv)

111. In view of the finding recorded herein that the subject project has been developed and offered for sale without obtaining registration under the RE(R&D) Act, 2016, Respondent No. 8 is hereby directed to forthwith initiate appropriate steps for registration of the project in accordance with the provisions of Sections 3 of the RE(R&D) Act, 2016 and the Rules made thereunder. Until such registration is duly obtained, Respondent Nos. 1 and 8 shall forthwith cease and desist from undertaking or permitting any sale, offer for sale, booking, marketing, advertisement, or invitation to purchase any plot in the said project, directly or indirectly.

112. Respondent No. 1, its office bearers, agents, representatives, or any person acting on its behalf are further restrained from facilitating, promoting, marketing, or advertising any plot in the project through any medium whatsoever, including print, electronic, digital, social media, or any other mode of communication, until the project is duly registered under the provisions of the Act. Prayers (iv), (ix), (x) and (xi) of the Complaint are disposed of accordingly.

113. As regards Registration Certificate No. A02500001007 held by Respondent No.1, in view of the finding of violation of Section 10 of the RE(R&D) Act, 2016, the Secretary, Telangana Real Estate Regulatory Authority (TG RERA), is directed to initiate steps for imposition of penalty against Respondent No. 1 under Section 62 of the RE(R&D) Act, 2016.

Issue (v)

114. Respondent No.7 has placed on record his resignation as Director of Respondent No.1 with effect from 27.03.2021, together with the corresponding Master Data of the Ministry of Corporate Affairs, neither of which has been rebutted by the Complainants. It is undisputed that the first payment by the Complainants was made on 22.05.2022 over a year after such resignation. The Complainants' rejoinder does not dispute the fact of resignation; it rests the claim against Respondent Nos.6 and 7 solely upon their continuing shareholding in Respondent No.1 Company. Shareholding, without more, does not render a shareholder personally liable for the contractual or statutory obligations of the company. No material has been placed on record to establish that Respondent Nos.6 or 7 were, at the relevant time, “promoters” within the meaning of Section 2(zk) of the RE(R&D) Act, 2016, or officers in default, or to justify piercing the corporate veil of Respondent No.1.

115. This Authority accordingly does not find Respondent Nos.6 and 7 personally liable in the present proceedings, without prejudice to any proceedings that may lie against them, if warranted, on fuller material.

116. Accordingly, the Complaint is partly allowed.

H. Directions of the Authority

117. In light of the findings recorded above and in exercise of the powers conferred under Sections 37 and 38 of the Real Estate (Regulation & Development) Act, 2016, this Authority issues the following directions:

i. Respondent No.1, namely Trishakthi Homes Consultancy Private Limited, is directed to refund the Complainants a sum of ₹42,20,479/- (Rupees Forty-Two Lakhs Twenty Thousand Four Hundred and Seventy-Nine only), being the balance amount admittedly remaining due after refund of ₹10,00,000/- (Rupees Ten Lakh Only) along with interest on the refundable amount at the rate at the rate of 10.70% per annum (SBI MCLR of 8.70% + 2%) calculated from 07.06.2022, being the date of final payment of the sale consideration, till the date of actual refund, in accordance with Section 18(1) of the Real Estate (Regulation and Development) Act, 2016 read with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, within a period of 60 (sixty) days from the date of receipt of this Order.

ii. Respondent No.1 and Respondent No.8 shall forthwith take appropriate steps to obtain registration of the real estate project "Sai Balaji Venture" in accordance with Section 3 of the Real Estate (Regulation and Development) Act, 2016 and the Rules made thereunder, if the project continues to fall within the ambit of the Real Estate (Regulation and Development) Act, 2016.

iii. Until such registration is duly obtained, Respondent Nos.1 and 8 shall cease and desist from undertaking or permitting any sale, offer for sale, booking, marketing, advertisement or invitation to purchase any plot in the project "Sai Balaji Venture", through any medium whatsoever, including print, electronic, digital or social media.

iv. Respondent No.8, being the promoter and landowner of the project, has contravened the provisions of Section 3 of the Real Estate (Regulation and Development) Act, 2016 by undertaking and permitting sale activities in respect of the project "Sai Balaji Venture" without obtaining registration under the Real Estate (Regulation and Development) Act, 2016.

v. Respondent No.1, Trishakti Homes Consultancy Pvt. Ltd., being a registered real estate agent under the Real Estate (Regulation and Development) Act, 2016, has acted in contravention of Section 10 of the RE(R&D) Act, 2016 by facilitating the marketing, booking, and sale of plots in an unregistered real estate project, namely, "Sai Balaji Venture" without due registration of the project with this Authority, in accordance with law.

118. Failure to comply with the directions under (i), (ii) and (iii) shall attract penal action against the Respondent No. 1 and Respondent No. 8 in accordance with Section 65 of the Real Estate (Regulation and Development) Act, 2016 and Section 63 of the Real Estate (Regulation and Development) Act, 2016 respectively.

119. The TG RERA Secretary, is hereby directed to initiate steps, as per Section 59 of the Real Estate (Regulation and Development) Act, 2016, for imposition of penalty against the Respondent No. 8 namely, M/s. Janachaitanya Housing Pvt. Ltd., for violation of Section 3 of the Real Estate (Regulation and Development) Act, 2016.

120. The TG RERA Secretary, is hereby directed to initiate steps for imposition of penalty against the Respondent No. 1, namely, Trishakti Homes Consultancy Pvt. Ltd., under Section 62 of the Real Estate (Regulation and Development) Act, 2016 for having acted as a real estate agent and facilitated the sale and booking of plots in the project "Sai Balaji Venture" without

obtaining the requisite registration as a real estate agent under the Real Estate (Regulation and Development) Act, 2016, in accordance with law.

121. Accordingly, the complaint stands disposed of. No order as to costs.

Sd/-
Sri K. Srinivasa Rao,
Hon’ble Member,
TG RERA

Sd/-
Sri Laxmi Narayana Jannu,
Hon’ble Member,
TG RERA