

TELANGANA REAL ESTATE APPELLATE TRIBUNAL: HYDERABAD

Krishna Hostel, First Floor, Dr. MCR HRD Institute Campus, Road No.25,
MP & MLAs Colony, Jubilee Hills, Hyderabad-500 033.

CORAM: Hon'ble Sri Justice A. Santhosh Reddy, Chairperson
Hon'ble Sri P. Pradeep Kumar Reddy, Judicial Member
Hon'ble Sri Vemula Sreekar, Administrative Member

T.A.No. 16 of 2026

Between:

M/s Aliens Developers Private Limited
Represented by its Director Venkata
Prasanna Challa, Aliens Space Station,
Sy.Nos.384 & 385, Tellapur, Gachibowli,
Hyderabad.

...Appellant/Developer

AND

1.Telangana Real Estate Regulatory Authority,
DTCP Building, Ground Floor, 640, A.C. Guards,
Masab Tank, Red Hills, Hyderabad.

... Respondent

2.Vijayendra Kumar Gade, Flat No.410,
Block-D, The Nest Apartment, Near
Marrichettu Circle, Manikonda,
Hyderabad.

...Respondent/complainant

Counsel for Appellant

: Mr. M. Ashwin Reddy

Counsel for Respondent No.2

: Mr. Sharad Singh Thakur

Date of Decision

: 20.07.2026

ORDER:: *(Per Hon'ble Sri Justice A. Santhosh Reddy)*

This appeal is filed at the instance of appellant/ developer assailing the Order, dated 12.11.2025, passed by the Telangana Real Estate Regulatory Authority, Hyderabad, (hereinafter referred to as 'the Regulatory Authority'), in Complaint No. 259 of 2024, whereby the complaint filed by the 2nd respondent/complainant has been disposed of with the following directions:

"Appellant/developer is hereby directed to refund Rs. 26,66,411/- to the complainant along with interest at the rate of 10.75% per annum (SBI MCLR of 8.75% + 2%), from the date of Cancellation Deed, dated 17.04.2022, till the date of actual refund in accordance with Rule 15 of the Telangana Real Estate (Regulation & Development) Rules, 2017 (for short 'the Rules) within 30 (thirty) days from the date receipt of the Order, failing which he shall attract the provisions of Section 63 of the Real Estate (Regulation & Development) Act, 2016 (for brevity 'the Act).

2. Brief facts of the case, as per the complaint filed by the 2nd respondent/complainant, are that he had booked a 3BHK flat, bearing No. 522 in Tower No. 22 at Station No. 4, admeasuring 1792 sq. ft., in the appellant project for a total consideration of Rs. 1,01,57,760/-. In furtherance of the said booking, he had paid an advance amount of Rs. 26,66,411/- to the appellant/developer. The complainant stated that he made the payment, equivalent to 25% of the total consideration, in

response to the appellant's payment request letters dated 13.11.2020 and 17.04.2021, respectively. Details of Payments made by the complainant to the appellant are that (i) Rs.2,19,376/- on 18-10-2020 through Ria Order (ii) Rs.30,624/- on 19-10-2020 (iii) Rs.2,50,000/- on 30-10-2020 (iv) Rs.5,00,000/- on 29-11-2020 (v) Rs.5,00,000/- on 05-12-2020 (vi) Rs.5,00,000/- on 06-12-2020 (vii) Rs.5,39,440/- on 11-12-2020 and (viii) Rs.1,26,971/- on 17-04-2021 through Online respectively. It is further stated that when the complainant visited the site, he found that basic structural work for the project had not commenced, and the developer failed to respond to any queries. While the matter stood thus, the appellant issued a cancellation deed unilaterally, without issuing any prior notice or assigning any reasons for such cancellation, with a schedule to return the money. Although the said deed contained a schedule for the refund of the amounts paid, the appellant failed to honour that schedule, and he has not refunded any amount to the complainant. The action of the appellant/developer caused much loss to the complainant. It is further stated that despite issuing of legal notice, the appellant has failed to repay the refund amount. Therefore, he sought for a direction to the appellant/developer to refund the principal amount of

Rs. 26,66,411/- with interest @ 24% for the period of 24 months from the cancellation deed, i.e., Rs. 14,93,190/-.

3. Appellant/developer filed a Counter, *inter alia*, contending that the complaint is devoid of any legal basis, as the complainant has not cited any specific provision or Rule of the Act that has allegedly been violated. Due to this deficiency, the complaint fails to disclose a *prima facie* case and is liable to be dismissed at the threshold without a detailed hearing. It is further stated that complainant has forfeited his status as an “allottee” under Section 2(d) of the Act by voluntarily and unilaterally cancelling the allotment of Flat and therefore, the Complainant no longer qualifies to be an “allottee,” and the Regulatory Authority lacks jurisdiction to adjudicate the present complaint. The Act does not entitle such individual to claim refund post self-initiated cancellation and that the present case falls under the domain of Civil Courts. It is further stated that after verifying the details of the project, the complainant proceeded with the booking of the Flat on 18.10.2018 by paying Rs. 2,19,376/- and that the complaint filed by the complainant is premature in nature as the developer has a valid RERA Registration till 14.12.2026. However, the complainant himself has cancelled the flat without assigning any reasons and as such the appellant/developer has issued the Cancellation Deed on

17.04.2022 as requested by the complainant. It is further stated that the developer has agreed to refund total amount without deducting 10% of the total sale consideration and as such they have already paid 7,00,000/- to the complainant towards refund and furthermore in adherence to the agreed terms to settle the matter amicably the final payment, will also be provided to the complainant through a demand draft. Therefore, it is prayed that the complaint filed by the complainant is liable to be dismissed.

4. After hearing the learned Counsels appearing for the parties and perusing the entire material available on record, the learned Regulatory Authority, vide impugned order, dated 12.11.2025, disposed of the complaint filed by the complainant as stated supra.

5. Being not satisfied with the aforesaid order of the learned Regulatory Authority, dated 12.11.2025, the appellant/developer filed the present appeal.

6. We have heard the learned Counsel appearing for the appellant as well as the learned Counsel appearing for respondent No.2/complainant and have gone through the entire material placed on record.

7. The point that arises for consideration in this appeal is as under:

Whether the impugned order, dated 12.11.2025, passed by the learned Regulatory Authority is sustainable in law?

POINT ::

8. Admittedly, the 2nd respondent/complainant had booked a 3BHK Flat, bearing No. 522 in Tower No. 22 at Station No. 4 on 5th floor, admeasuring 1792 sq. ft., in the appellant/developer project in the year 2018 for a total consideration of Rs. 1,01,57,760/-and that they had entered into an agreement of sale and as such the complainant had paid an advance amount of Rs. 26,66,411/- to the appellant. It is also an admitted fact that pursuant to certain discussions between the parties, they have agreed to cancel and terminate the said agreement of sale and accordingly a Deed of Cancellation, dated 17.04.2022, has been executed between the parties, wherein the appellant/developer agreed to refund the total amount of Rs.26,66,411/- to the complainant as per the schedule mentioned in the said Deed of Cancellation.

9. The main contention of the learned Counsel for the appellant/developer is that the 2nd respondent/complainant ceased to be an allottee upon execution of Deed of Cancellation, dated 17.04.2022, and in support of the said contention, he relied upon Clause Nos.6 and 7 of the said Deed of Cancellation. His further contention is that the dispute, which arises from a Deed of Cancellation, is contractual in nature and the same should be adjudicated by a Civil Court and as such the complaint

itself is not maintainable and in support of his contention he relied upon a decision of the Hon'ble Supreme Court in *Greater Mohali Area Development Authority (GMADA) through its Estate Officer (H) vs. Anupam Garg etc.*,¹, wherein it was held that compensation and refunds are to be governed by the terms of the contract unless a statutory breach has been established.

10. In order to determine the maintainability of the complaint, the status of the complainant as allottee needs to be considered. Under the Act, the term "allottee" is defined in Section 2(d), which reads as under:

‘allottee’ in relation to a real estate project, means the person to whom a plot, apartment or building, as the case may be, has been allotted, sold (whether as freehold or leasehold) or otherwise transferred by the promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or otherwise but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent;”

11. It is undoubtedly clear from the aforesaid provision that a person to whom a plot, apartment or a building has been allotted in relation to a real estate project is considered as an ‘allottee’. In the instant case, the complainant has been allotted a 3BHK flat bearing No. 522 situated in 5th floor, Tower No. 22, Station No. 4 of the appellant Project. But now, the

¹ 2025 INSC 808

question before us pertains to the status of an allottee post cancellation or withdrawal from a project. Section 18 of the Act provides remedies to allottees in instances where a promoter fails to complete or deliver possession of a property in accordance with the terms of the agreement. This provision entitles the allottee to withdraw from the project and seek a refund of the amount paid, along with applicable interest. A fundamental feature of Section 18 of the Act is that, while pursuing a claim before the Authority under this provision, the complainant continues to seek relief in the capacity of an allottee, even after withdrawing from the project, until the adjudication process is concluded. Here in the instant case, the appellant has promised to refund the amount in full to the complainant according to the Cancellation Deed, dated 17.04.2022. A perusal of the said Cancellation Deed, we found it pertinent to consider Clauses 4, 6, 7 stipulated therein, excerpts of which are reiterated below:

“4. Accordingly, on the basis of the representations of the purchaser and the understanding agreed between the parties, simultaneously with execution hereof, the developer has refunded Rs. 0/- so far and the developer will refund the total amount of Rs.26,66,411/- as per the schedule mentioned in the Deed of Cancellation.

6. The Purchaser agrees, declares and confirms that simultaneously with execution hereof, purchaser shall have no claim, right, title and interest of whatsoever nature either concerning the said apartment of

any part thereof and/or against the developer save and except to the entitlement of receiving the monies as provided in clause (4).

7. In view of the Purchaser having received the entire monies as per Clause 4 above, the said agreement of sale stands cancelled with mutual consent of the parties and the same has become null and void and unenforceable in law and that none of the provisions of the said agreement of sale survive hereafter and neither parties shall have any claim or right against one another of any nature whatsoever."

12. A plain reading of the aforementioned provisions makes it clear that the agreement of sale between the parties stands cancelled only in the event of the receipt of the refund amount by the complainant. Since the same has not been complied with at the time of filing of this complaint, the said agreement of sale which conferred allotment, remains binding on the parties and the complainant herein retains the status of the allottee in the eyes of law, in turn becoming subject to the jurisdiction of this Authority. The cancellation of allotment becomes final only when the entire refund amount is remitted back to the complainant as agreed. It is observed that the said cancellation process only commenced when the parties executed the cancellation deed but remains incomplete due to the non-payment of the refund amount as per the agreed payment schedule. Since the cancellation has not attained its finality, the complainant

continues to be recognized as an allottee, rendering the appellant's contention that the complainant has ceased to be an allottee untenable.

13. In the instant case, the 2nd respondent has sought a refund of Rs.26,66,411/- along with interest. From a perusal of the material available on record, it is clear that the parties have entered into a Cancellation Deed stipulating the terms of refund of the amount paid by the complainant. As per the said Cancellation Deed, dated 17.04.2022, the appellant agreed to refund the total amount of Rs.26,66,411/- in 15 equal monthly instalments of Rs.1,77,761/- each commencing from June, 2022 to August, 2023. The appellant has failed to refund the amount within the timeline stipulated under the Cancellation Deed, thereby committed a continuing breach of both contractual as well as statutory obligations.

14. Learned Counsel for the appellant/developer submits that entire amount of Rs.26,66,411/- as specified in the Cancellation Deed, dated 17.04.2022, has already been refunded to the 2nd respondent/complainant by February, 2025 and to substantiate the said payment, he has filed the copies of the receipts. He has further submitted that the Regulatory Authority had erroneously directed the appellant to refund the principal amount along with interest at the rate of 10.75% per annum from the date of cancellation deed. On the other hand, the learned Counsel for the 2nd

respondent/complainant submitted that the appellant has refunded the said amount under the Cancellation Deed, however, the appellant has not paid the interest on Rs.26,66,411/-, as directed by the learned Regulatory Authority, till date.

15. The cancellation Deed executed between the parties is merely evidentiary in nature, recording the factum of cancellation of allotment and cannot be construed as a waiver or relinquishment of the statutory rights conferred upon the allottee under the Act. The right to claim interest on delayed refund flows directly from Section 18(1)(a) of the Act and it cannot be curtailed or overridden by any contractual arrangement or unilateral stipulation imposed by the developer. Therefore, the learned Regulatory Authority has rightly held that the 2nd respondent/complainant is entitled to the refund of the amount paid by him to the appellant along with statutory interest for the period of delay as prescribed under the Act and Rules.

16. The appellant/developer, in his counter, has stated that they have already paid Rs.7,00,000/- to the 2nd respondent/complainant towards refund amount and furthermore in adherence to the agreed terms to settle the matter amicably, the final payment, will also be provided to the

complainant through a demand draft. However, the appellant has not produced any receipt establishing the said payment.

17. Having regard to the aforesaid reasons, we are of the considered opinion that the impugned order, dated 12.11.2025, passed by the learned Regulatory Authority does not suffer from any perversity, illegality or jurisdictional error and, therefore, the impugned order is sustainable in law and does not warrant any interference by this Tribunal.

18. In the result, the appeal fails and is dismissed and the impugned order, dated 12.11.2025, passed by the learned Regulatory Authority in Complaint No.259 of 2024 is upheld. There shall be no order as to costs.

Pending miscellaneous applications, if any, shall stand closed.

Registry is hereby directed to transmit a copy of this order to the parties and the Regulatory Authority as per section 44 (4) of the Act.

SD/-

A. SANTHOSH REDDY, J
(CHAIRPERSON)

SD/-

P. PRADEEP KUMAR REDDY
(JUDICIAL MEMBER)

SD/

VEMULA SREEKAR
(ADMINISTRATIVE MEMBER)