

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**Complaint No. 19 of 2025**

**21<sup>st</sup> November 2025**

**Quorum:**

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

**Allamneni Moni Chandra**

*(Plot No. 226, Road No. 78,  
Astha Green Building,  
Opp: HDFC Film Nagar Branch,  
Jubilee Hills, Hyderabad 500096)*

**... Complainant**

**Versus**

**1. M/s. Surabhi Estates Pvt. Ltd.**

*(Unit 20-21, First Floor, Minerva Complex,  
Sarojini Devi Road, Kalasiguda,  
Secunderabad – 500003)*

**2. Sri. S.E. Srinivas**

*(Occ: Managing Director  
R/o. Sy. No. 292, H. No. 4-222/1,  
Ram Reddy Nagar, IDA Jeedimetla,  
Phase V, Hyderabad – 500055)*

**... Respondents**

The present Complaint came up for hearing on 08.08.2025 before this Authority in the presence of Counsel for the Complainant, Sri S. Vijay Kumar, and Counsel for the Respondents, Sri M. Srinivas. Upon hearing the submissions advanced by both sides and having reserved the matter for orders, this Authority now proceeds to pass the present **ORDER:**

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

**A. Brief facts of the Case:**

3. The Complainant humbly submits that Respondent No.1, having its registered office at Secunderabad, is engaged in the real estate business, and Respondent No.2, its director, is responsible for its affairs. Respondents indulged in unfair trade practices in violation of RERA

and HMDA guidelines, by deceitfully collecting large sums from the public, including the complainant. The complainant entered into an agreement of sale on 06.01.2020 for Villa No.20 in Phase-I, Surabhi's Signature Villas, Osman Nagar, for a total sale consideration of Rs.1,30,00,000/-, out of which Rs.1,00,00,000/- was paid and acknowledged by the Respondents. Later, it was revealed that the project had no TG RERA approval, despite false representations made to the complainant.

4. The Respondents thereafter induced the complainant to shift his allotment to Phase-II on the pretext of offering a bigger villa, though no TG RERA approval existed for Phase-II either. The Respondents continued to market and sell villas in Phase-II without securing mandatory permissions, thereby misleading the complainant and other buyers.

5. Upon delay of permissions and failure to proceed with Phase-II, Respondent No.2 assured refund of amounts with interest. An MOU was executed, and six cheques were issued towards repayment. However, when presented, multiple cheques were dishonoured for the reason "Funds Insufficient." After legal notice was issued, the Respondents sought amicable settlement, requested return of the dishonoured cheques, and issued three fresh cheques drawn on SBI, Vikramপুরi Branch. These too were dishonoured on 14.11.2023 for "Funds Insufficient," and Respondents thereafter failed to respond or make payment.

6. The complainant submits that entering into agreements without obtaining TG RERA approval, collecting huge sums, and subsequently issuing dishonoured cheques constitute fraudulent conduct. The Respondents deliberately misrepresented facts, failed to fulfill their obligations, and violated Sections 11(4) and 18 of the RE (R&D) Act, 2016.

7. It is further submitted that the Respondents' acts amount to fraud and cheating, not only against the complainant but also against several other innocent buyers. The repeated dishonour of cheques clearly demonstrates fraudulent intent and non-compliance with law.

8. The complainant, therefore, prays that this Hon'ble Authority cancel the permissions granted to the Respondents, initiate administrative and criminal action against them, and grant such further reliefs as deemed fit. The complainant also reserves his right to pursue remedies under Section 138 of the Negotiable Instruments Act, 1881, and to file additional documents or affidavits as necessary in the interest of justice.

***B. Relief Sought:***

9. In light of the aforementioned facts, the Complainant had prayed for the following reliefs before the Authority:

- a. To punish the respondents for violating various provisions of TG RERA Provisions by way of imprisonment of Respondents along with penalty.
- b. To cancel the approval to the Respondents project.
- c. To refund the Rs. 35,00,000/- with 18% rate of interest P.A from the date of Agreement of Sale dated on 06.01.2020.
- d. To pass such other orders as this Hon'ble Authority deems fit and proper in the facts and circumstances of the case in the interest of equity and justice.

***C. Counter on behalf of the Respondent No. 2:***

10. The Respondent submits that at the outset, they deny all allegations made in the Complaint. The Complainant has misrepresented and concealed material facts for his benefit and filed a frivolous case with false and misconceived averments. The Respondents are law-abiding, aware of their duties, and strictly follow all rules, guidelines, and laws.

11. The Respondent submits that the averments in the Complaint regarding certain allegations are matters of record and need no response, while other averments are specifically denied, and the Complainant is put to strict proof. The Respondents are experienced in construction and have no prior complaints of violation. The present Complaint is filed with mala fide intention to extract money by making false allegations.

12. The Respondent submits that the Complainant himself entered into an Agreement of Sale dated 06.01.2020 for Villa No.20 in Phase-I, which had HMDA approval dated 29.06.2015, much before the enactment of RE(R&D) Act, 2016. Telangana RERA rules apply only to projects approved after 01.01.2017. Hence, the Complaint is frivolous and misleading.

13. The Respondent submits that the allegations in the Complaint relating to subsequent transactions are misconceived. As per the MOU dated 22.01.2020, the Complainant requested cancellation of the earlier Agreement and sought a bigger villa in Phase-II, fully aware that approvals were in process. Later, TG RERA approval No. P1100007763 was obtained for Phase-II. However, the Complainant withdrew from the project for personal reasons and demanded repayment of Rs. 1,69,00,000/-.

14. The Respondent submits that the Complainant admitted in his legal notice dated 27.03.2024 that he received the entire agreed amount except Rs. 35,00,000/-, the reasons for which were explained in the reply notice. Payments were made through various modes, as shown in documents, and acknowledged by the Complainant. The averments in the Complaint regarding dishonour of cheques are therefore denied.

15. The Respondent submits that the Complainant knowingly signed the MOUs, which recorded that allotment in Phase-II would be made after obtaining permissions. Further, the MOU dated 04.01.2023 confirms that the Complainant withdrew for personal reasons and claimed Rs. 1,69,00,000/- with interest. Hence, he is not an “allottee” under RERA and is not entitled to any relief or compensation. The Complaint is baseless, deserves dismissal, and the Respondents pray that it be dismissed with costs for causing unnecessary litigation and harassment. The Respondent No.2 further places on record the following payments made in discharge of obligations, which evidence that there are no subsisting dues towards the Complainant:

| Date       | Mode of Payment | Amount (Rs.) | Instrument Details                                                               | Remarks                                                                                         |
|------------|-----------------|--------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| 23.05.2023 | Cash            | 25,00,000    | Against Cheque No.191152 dated 15.03.2023, The A.P. Janata Co-op Urban Bank Ltd. | Cheque returned as full amount received in cash.                                                |
| 14.08.2023 | Demand Draft    | 20,00,000    | DD No.292778 dated 14.08.2023, Bank of Maharashtra, S.D. Road, Secunderabad      | In lieu of bounced Cheque No.191153 dated 31.03.2023 (Rs.25, 00,000). Returned cheque enclosed. |
| 14.08.2023 | Cheque          | 5,00,000     | Cheque No.947370 dated 05.09.2023, SBI, Vikramপুরi, Secunderabad                 | In lieu of bounced Cheque No.191153. Returned cheque enclosed.                                  |
| 14.08.2023 | Cheque          | 34,00,000    | Cheque No.947371 dated 15.10.2023, SBI, Vikramপুরi, Secunderabad                 | In lieu of bounced Cheque No.191154 dated 15.04.2023 (Rs.34, 00,000). Returned cheque enclosed. |
| 14.08.2023 | Cheque          | 35,00,000    | Cheque No.947373 dated 15.10.2023, SBI, Vikramপুরi, Secunderabad                 | In lieu of bounced Cheque No.191157 dated 30.04.2023 (Rs.35, 00,000). Returned cheque enclosed. |
| 12.12.2023 | Demand Draft    | 25,00,000    | DD No.292908 dated 12.12.2023, Bank of Maharashtra, S.D. Road, Secunderabad      | In lieu of bounced Cheque No.947371. Returned cheque enclosed.                                  |
| 12.12.2023 | Cash            | 9,00,000     | Cash payment                                                                     | Part replacement of bounced Cheque No.947371 (Rs.34, 00,000).                                   |

|            |        |           |                                                                  |                                                                                 |
|------------|--------|-----------|------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 12.12.2023 | Cheque | 5,00,000  | Cheque No.947383 dated 23.12.2023, SBI, Vikramपुरi, Secunderabad | In lieu of bounced Cheque No.947370 dated 05.09.2023. Returned cheque enclosed. |
| 12.12.2023 | Cheque | 35,00,000 | Cheque No.947384 dated 03.01.2024, SBI, Vikramपुरi, Secunderabad | In lieu of bounced Cheque No.947373 dated 15.10.2023. Returned cheque enclosed. |

***D. Points for Consideration:***

- I. Whether the Respondents have violated Section 3 of the Real Estate (Regulation and Development) Act, 2016?
- II. Whether the Complainant is entitled to the relief sought?

***Point I:***

16. Upon a meticulous examination of the documents placed on record and after considering the submissions of both parties, it is an undisputed fact that the Complainant entered into an Agreement of Sale dated 06.01.2020 with Respondent No.1 for Villa No. 20, admeasuring 160.02 sq. yds with a built-up area of 2051.72 sq. ft., situated in Survey Nos. 19/AA1, 19/AA2, 19/E1 and 19/E2, Osman Nagar, Ramachandrapuram Mandal, Medak District, Telangana, forming part of the project styled as “Surabhi’s Signature Villas.” The total sale consideration was ₹1,30,00,000/-, out of which the Complainant paid ₹1,00,00,000/-, duly acknowledged by the Respondent No.1.

17. The Complainant submitted that Respondent No.1 later persuaded him to shift the allotment from Phase-I to Phase-II on the assurance of a larger villa. Relying on such representation, the Complainant consented to the shift. However, it subsequently emerged that Phase-II had no statutory approvals, and permissions were only in process. Despite this, Respondents continued marketing the said Phase-II units. Eventually, acknowledging their inability to proceed, the Respondents executed an MOU, agreeing to refund the amounts taken and to pay an additional sum of ₹69,00,000/- with interest. Cheques were issued in part performance of the MOU, but all such cheques were dishonoured with the remark “Funds Insufficient.”

18. Respondents No.1 and 2 contended that the project had already obtained HMDA approval vide Proceedings No.102839/LO/Plg/HMDA/2013 dated 29.06.2015, i.e., prior to the commencement of the RERA Act. Thus, they argued that the project is exempt from the Act, as RERA applies only to projects approved on or after 01.01.2017. They further contended that the

Complainant voluntarily rescinded the earlier Agreement and executed an MOU dated 22.01.2020 for a larger villa in Phase-II while being fully aware of the pending approvals. They submitted that except for ₹35,00,000/-, all amounts were settled, as per the Complainant's own admission in his legal notice dated 27.03.2024. However, the Respondents simultaneously admit that they failed to place the Occupancy Certificate if obtained. Their attempt to rely on the pre-RERA approval of 2015 to escape the rigour of the RE(R&D) Act is inconsistent with the statutory mandate, as the absence of an Occupancy Certificate brings the project within the definition of an "ongoing project."

19. To examine the Respondents' objection, this Authority refers to Section 3(1) of the Act. Any project exceeding eight units or 500 sq. m. for which no Completion Certificate or Occupancy Certificate has been issued as on the date of commencement of the RE(R&D) Act, automatically qualifies as an "ongoing project." Further, Rule 2(1)(j) of the Telangana RERA Rules, 2017, as amended, defines an "ongoing project" as a project where development is in progress and for which the Occupancy Certificate or Completion Certificate has not been issued as on the date of commencement of Section 3 of the RE(R&D) Act. The amended Rule 2(1)(j) was intended to harmonise the definition with Section 3 itself. In the present case, the Respondents have not placed on record any Occupancy Certificate for Phase-I of the project. A mere assertion that the project obtained an approval before 01.01.2017 does not confer exemption when the project remains incomplete for want of statutory post-construction certifications. Therefore, the Respondents' contention that the project does not fall within the jurisdiction of this Authority is untenable. The project is squarely an ongoing project and ought to have been registered under Section 3 of the RE(R&D) Act.

20. In light of the above findings, this Authority unequivocally holds that the project qualifies as an ongoing project under the RE(R&D) Act. The preliminary objection raised by the Respondents is without merit and is accordingly rejected. As Phase-I remains unregistered, Respondents No.1 and 2 are directed to forthwith initiate registration of Phase-I and ensure strict compliance with all provisions of RE(R&D) Act.

21. However, considering the ambiguity that prevailed at the relevant time due to the earlier interpretation of Rule 2(1)(j), this Authority is inclined to adopt a lenient view with respect to penal action. Accordingly, while the Authority holds that the project ought to have been registered, it refrains, at this stage, from invoking Sections 59 and 60 of the RE(R&D) Act.



22. Nevertheless, the Respondents are strictly restrained from undertaking any further advertising, marketing, booking, selling, offering for sale, or inviting persons to purchase any villa or plot in the said project until registration is duly obtained. Any future violation will attract appropriate action under Sections 59, 60, and 63 of the Act.

23. However, considering the ambiguity prevailing at the relevant period regarding the interpretation of Rule 2(1)(j), this Authority is inclined to take a lenient view regarding the imposition of penalties. While the Authority holds that registration was mandatory and has been violated, it refrains, at this stage, from invoking Sections 59 and 60 of the RE(R&D) Act.

24. Additionally, this Authority takes serious note of the fact that the Respondents have indulged in a pre-launch offer in respect of Phase-II. Entering into an MOU for Phase-II even before registering the said phase clearly indicates that the Respondents were inviting persons to purchase units and offering to sell units prior to registration, in violation of Section 3 of the RE(R&D) Act. Accordingly, such conduct constitutes a violation attracting Section 59 of the RE(R&D) Act, pertaining to contraventions arising from pre-launch activities.

***Point II:***

25. The Complainant seeks refund of the balance sum of ₹35,00,000/- along with interest @ 18% per annum from the date of execution of the Agreement of Sale dated 06.01.2020.

26. As previously noted, the Complainant entered into the Agreement after paying ₹1,00,00,000/- and was later persuaded to shift to Phase-II based on the Respondents' assurance of a larger villa. Upon learning that Phase-II lacked approvals, the parties executed an MOU wherein the Respondents agreed to refund the principal amount and pay an additional ₹69,00,000/- as interest/compensation. Cheques issued in furtherance of this arrangement were dishonoured.

27. A perusal of the MOU dated 22.01.2020 shows that, the amounts paid for Phase-I were to be transferred upon the Respondents obtaining necessary permissions, upon obtaining approvals, a fresh allotment of a west-facing villa of approx. 220 sq. yds and 2500 sq. ft. was to be made, and a fresh sale agreement was to be executed thereafter. However, due to delays in securing permissions, the Complainant withdrew. The Authority notes that purchasers entering into pre-launch arrangements do so at their own risk, and the Authority has repeatedly cautioned against pre-launch transactions. The Complainant contends he was compelled to shift from

Phase-I to Phase-II, but no substantive evidence was produced to establish coercion or absence of choice.

28. Subsequently, the parties executed an MOU dated 04.01.2023 outlining revised terms of settlement and repayment. As per the Respondents' counter and the Complainant's memo dated 08.01.2025, the total amount claimed is ₹1,69,00,000/-, being the principal plus mutually agreed interest.

29. The Complainant has admittedly received the principal amount of ₹1,00,00,000/- and ₹34,00,000/- out of the agreed interest amount of ₹69,00,000/-. The present claim pertains to the balance interest amount of ₹35,00,000/-, along with additional interest thereon.

30. The Respondents argued that the Complainant ceased to be an allottee after cancellation of the original Agreement and hence cannot invoke RERA. This contention is rejected, as cancellation is not complete until all obligations under the cancellation arrangement are fulfilled. An allottee cannot be deprived of statutory protection merely because the promoter has unilaterally failed to honour the terms of cancellation. Thus, the Complainant continues to enjoy protection as an allottee under the RE(R&D) Act.

31. This Authority, however, is of the considered view that interest on the unpaid interest component (i.e., interest on interest) cannot be entertained. The Authority does not adjudicate upon compounded interest arising out of purely contractual settlements mutually negotiated between parties.

32. Nevertheless, being a beneficial legislation, intended to protect the interests of allottees, and considering that the Respondents have retained the Complainant's funds for more than three years, and that the Respondents themselves undertook the contractual obligation to pay the agreed interest amount of ₹69,00,000/-, of the fact that currently the project stands registered before this Authority. The Complainant has been deprived of the benefit of his funds since 2020, this Authority holds that the Complainant is entitled to the unpaid portion of the agreed interest amount, i.e., ₹35,00,000/-.

33. Accordingly, while interest on interest is declined, this Authority directs that the balance contractual interest amount of ₹35,00,000/- shall be paid by the Respondents to the Complainant within 45 days from the date of this Order.



***E. Directions of the Authority:***

34. In light of the foregoing discussion, findings, and conclusions recorded hereinabove, and in exercise of the powers conferred upon this Authority under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, the following directions are hereby issued to the Respondents:

- i. This Authority declares that the project titled “Surabhi’s Signature Villas” Phase-I qualifies as an “ongoing project” under Section 3(1) of the RE (R&D) Act, 2016 read with Rule 2(1)(j) of the Telangana Real Estate (Regulation and Development) Rules, 2017. The Respondents were under a mandatory statutory obligation to register the said project with this Authority and have failed to do so. Accordingly, the Respondents are hereby directed to forthwith apply for registration of the project “Surabhi’s Signature Villas” Phase I with this Authority within 30 (thirty) days from the date of this Order, in compliance with Section 3 and 4 of the RE(R&D) Act, 2016.
- ii. The Respondents are hereby restrained from advertising, marketing, booking, selling, offering for sale, or inviting persons to purchase any unit in *Phase-I* of the said project until the requisite registration under the RE (R&D) Act, 2016.
- iii. This Authority directs the Secretary, Telangana RERA, to immediately initiate proceedings under Section 59 of the Act for the imposition of an appropriate penalty upon the Respondents, subject to the approval of this Authority, in respect of the contraventions arising from the pre-launch offers of *Phase-II* of the said project.
- iv. Respondents No.1 and 2 shall pay to the Complainant the unpaid contractual interest amount of ₹35,00,000/- (Rupees Thirty-Five Lakhs only) within 45 days from the date of this Order.

35. Failing to comply with the above said directions by the Respondents No.1 and 2 shall attract penalty in accordance with Section 63 of the RE (R&D) Act, 2016.

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

**Sd/-**

**Sri. K. Srinivasa Rao,  
Hon’ble Member**

**TG RERA**

**Sd/-**

**Sri. Laxmi Naryana Jannu,  
Hon’ble Member**

**TG RERA**

**Sd/-**

**Dr. N. Satyanarayana, IAS (Retd.),  
Hon’ble Chairperson**

**TG RERA**