

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 113 of 2025

Dated: 20th August 2026

Quorum: Sri K. Srinivasa Rao, Hon'ble Member

Sri Laxmi Narayana Jannu, Hon'ble Member

D. Aruna Kumari

*(R/o. Plot No. 68, Hyderabad No. 3-7-62/3/68,
seven Hills Colony, Near Sahara Apartments,
Mansoorabad, Hayath Nagar, Hyderabad- 500 068)*

...Complainant

Versus

1.M/s DR Estate Construction Pvt. Ltd

*Rep by. D. Raj Kumar
(Plot No. 937, Uppal Bhagyath HMDA Layout
Hyderabad 500 039)*

2. Tarun Gupta

*(R/o. Karachi Bakery back side, Goshamaahal Road,
Begum Bazar, Hyderabad)*

...Respondents

The present matter filed by the Complainant herein came up for hearing before this Authority in the presence of the Complainant's counsel, and none appeared on behalf of the Respondents despite service of notice; hence, set ex parte and upon hearing the submissions of the Complainant, this Authority proceeds to pass the following **ORDER:**

2. This Complaint has been filed under Section 31 of the Real Estate (Regulation and 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 direction and action against the Respondent.

A. Brief Facts of the Case:

3. The Complainant submits that on 05.02.2024, she entered into an Agreement of Sale with M/s. DR. Estates & Constructions Pvt. Ltd., represented by its Managing Director, Mr D. Raj Kumar, for the purchase and construction of a villa bearing Plot No. 85, Villa No. 82, admeasuring 250 sq. ft. Yards together with a constructed villa of approximately 3600 Sq. Ft.,

situated in Survey Nos. 350, 358/P, 359/P & 360/P at Pasumamula Village, Abdullapurmet Mandal, Ranga Reddy District, Telangana.

4. The Complainant contends that the Respondent represented itself to be the owner/developer of the subject property and agreed to construct and deliver the villa in accordance with the specifications mentioned in the brochure and agreement.

5. The Complainant submits that Tarun Gupta introduced the Complainant to the Respondent company and facilitated the transaction between the parties.

6. The Complainant further alleges that the Respondent represented that the construction of the villa would be completed within a period of six months from the date of agreement and demanded an advance amount out of the total sale consideration of Rs. 2,14,80,000/-.

7. Pursuant to the said representations, the Complainant states to have paid an amount of Rs. 80,00,000/- (Rupees Eighty Lakhs only) to the Respondent through cheque, cash, and online transfers towards advance consideration.

8. The Complainant alleges that despite receipt of substantial amounts, the Respondent failed to complete the construction and further alleges acts of misrepresentation, breach of trust, and cheating on the part of the Respondent.

9. Aggrieved by the alleged acts and omissions of the Respondent, the Complainant approached this Authority seeking appropriate relief under the provisions of the Real Estate (Regulation and Development) Act, 2016.

B. Relief Sought:

10. Accordingly, the Complainant sought for the following reliefs:

- I. Direct the Respondent to refund the amount of Rs. 80,00,000/- paid by the Complainant, along with interest, as the builder failed to honour the agreement.

C. IA filed by the Complainant

11. The Complainant has filed an Interlocutory Application seeking impleadment of Tarun Gupta as Respondent No. 2. It is the case of the Complainant that Respondent No. 2 introduced her to Respondent No. 1 and facilitated the transaction, and was well aware of the project, thereby prima facie assuming the role of a real estate agent in connection with the sale of the subject property. Notice of the IA was duly served upon Respondent No. 2, who has neither appeared nor filed any objection thereto. In order to ascertain the precise role played by Respondent No. 2 in the transaction and to render complete justice between the parties, this

Authority deems it appropriate to allow the IA. The IA is accordingly allowed, and Tarun Gupta stands impleaded as Respondent No. 2.

D. Points to be determined:

12. Based on the facts and circumstances placed before this Authority, the following questions arise for adjudication:

- i. Whether the Respondents have violated any provisions of the RE(R&D) Act, 2016?
- ii. Whether Complainant is entitled to the relief sought? If so, to what extent?

E. Observation of the Authority:

13. As can be gathered from the pleas and assertions made by the Complainant narrated herein above in the above paras, which remained undisputed in view of the fact that the Respondents have remained ex parte and have also failed to file any counter/reply.

Point -I

14. From the undisputed and un rebutted pleadings and assertions of the Complainant, coupled with the documents placed on record, it is evident that the Respondent promoted a real estate project under the name and style of "Abhi's Aloha," described as a premium villa project situated at Pasumamula village, Abdullapurmet Mandal, Ranga Reddy District. As per the material available on record, the said project comprises approximately 240 plots and villas, ranging from 166.66 to 255.07 square yards, thereby clearly exceeding the threshold prescribed under Section 3(2)(a) of the Real Estate (Regulation and Development) Act, 2016.

15. The Complainant has placed on record the promotional brochure issued by Respondent No. 1, describing the project as a gated community of premium villas developed under HMDA Layout Permit No. 000061/LO/LPG/HMDA/2021, and depicting a site layout comprising over approx. 240 villas and numbered plots ranging from 166.66 to 255.07 square yards, together with a clubhouse, swimming pool, gymnasium, meditation hall, and other common amenities and the said project was actively marketed to prospective purchasers for booking and sale.

16. Further, the Complainant has filed a copy of the Agreement of Sale dated 05.02.2024 executed between Respondent No. 1, represented by its Managing Director D. Raj Kumar, and the Complainant. The said Agreement records that the Respondent is the absolute owner and possessor of agricultural land totally admeasuring Ac. 16.10 in Survey Nos. 350/P, 358/P, 359/P and 360/P at Pasumamula village, Abdullapurmet Mandal, Ranga Reddy District, and that the Respondent converted an extent of Ac. 16 out of the said land into residential plots by

obtaining necessary permissions from HMDA vide sanctioned Layout Permit No. 000061/LO/Plg/HMDA/2021, and named the layout "Abhi's Aloha." The Agreement further discloses that the Respondent, being thus the absolute owner and possessor of Plot No. 85, Villa No. 82, admeasuring 250 square yards, agreed to sell the said plot villa together with a constructed villa of 3600 square feet, for a total consideration of Rs. 2,14,80,000, and that a sum of Rs. 79,00,000 was collected from the Complainant towards the said consideration. The Agreement makes reference only and contains no reference whatsoever to registration of the project under RERA. This establishes that the said Agreement of Sale was executed, and consideration collected thereunder, prior to obtaining registration of the project under the provisions of the Act.

17. In view of the above, this Authority finds that the project land admittedly exceeds the minimum extent of 500 square meters prescribed under Section 3(2)(a) of the Act, and registration of the project with the Authority was mandatory prior to advertising, marketing, booking, selling, or entering into any agreement for sale with prospective purchasers.

18. Despite this statutory mandate, Respondent No. 1 proceeded to market the project through the brochure discussed above, collected substantial monies from the Complainant, and executed the Agreement of Sale dated 05.02.2024, all without obtaining registration under Section 3 of the Act. This sequence, evident from the Complainant's own un rebutted documents, constitutes a clear, continuing, and blatant violation of Section 3(1) of the RE(R&D) Act, 2016.

19. This Authority issued a Show Cause Notice to Respondent No. 1 under Sections 3 and 4 of the Act, to which no reply was filed. The absence of any explanation, in the face of documentary evidence establishing pre-registration sale, leaves the violation admitted and un rebutted.

20. The Respondent is therefore liable for a penalty under Section 59 of the Act for contravention of Section 3. Further, as no application for registration was ever filed under Section 4, the Respondent is also liable for a penalty under Section 60 of the Act.

21. This Authority issued Show Cause Notices to Respondent No. 2, calling upon him to explain his role in the transaction and the alleged violation of Section 9 of the Act. Despite service of the said notices, Respondent No. 2 has neither replied nor appeared, and the matter has proceeded ex parte qua Respondent No. 2 as well.

22. However, mere ex parte proceedings against Respondent No. 2 do not, by themselves, establish the allegation that he acted as a real estate agent within the meaning of Section 2(zm) of the Act. The Complainant, while asserting that Respondent No. 2 introduced her to Respondent No. 1 and facilitated the transaction, has not placed on record any document such as correspondence, receipt, brokerage communication, or similar material to substantiate that Respondent No. 2 received any commission, held himself out as an agent, or otherwise acted in the capacity of a real estate agent in relation to the subject transaction. In the absence of any such material, this Authority is not in a position to record a finding of violation of Section 9 against Respondent No. 2, or to impose any penalty under Section 62 of the Act, on the basis of the Complainant's bare pleading alone.

23. Accordingly, Point I is answered in the affirmative. Respondent No. 1 is held to have committed a blatant and deliberate violation of Sections 3 and 4 of the Act by marketing and selling units in an unregistered project, and is liable to a penalty under Sections 59 and 60. No finding of violation is recorded against Respondent No. 2 for want of substantiating material, and this Authority accordingly refrains from initiating any action against Respondent No. 2 at this stage. This is, however, without prejudice to the right of any competent authority, or of the Complainant, to pursue appropriate action against Respondent No. 2 should material substantiating his role as a real estate agent come to light hereafter.

Point-II

24. Upon perusal of the pleadings and documents on record, it is seen that Respondent No. 1 has collected a total amount of Rs. 79,00,000/- from the Complainant towards the sale consideration of Plot No. 85, Villa No. 82. There is no material on record indicating the present stage of construction of the villa, nor has Respondent No. 1 placed anything before this Authority whether by way of reply, progress report, or documentary evidence to demonstrate that construction is underway or nearing completion. In the face of a specific and unrebutted assertion of non-completion by the Complainant, and in the complete absence of any response from the Respondent despite due opportunity, this Authority draws an adverse inference against the Respondent and proceeds on the basis that the Respondent has failed to complete the construction as agreed.

25. Section 18(1) of the Act confers on an allottee the right to seek a refund with interest where the promoter fails to complete the project or is unable to hand over possession within the stipulated timeframe. In the present case, this right assumes even greater force; the

Agreement of Sale dated 05.02.2024 is completely silent as to the date of possession, leaving the Complainant with no fixed timeline against which to measure delay or hold the Respondent accountable. An allottee cannot be left to wait indefinitely for a project to be completed, or for the Respondent to furnish a definite date of possession, particularly where, as here, the Respondent has furnished no material whatsoever regarding the stage of construction reached. Equally, a promoter cannot be permitted to collect the entire, or near-entire, sale consideration from an allottee without a corresponding and demonstrable progress in construction to justify such collection. To hold otherwise would allow a promoter to indefinitely retain an allottee's monies while withholding both possession and information, insulated from accountability merely by remaining silent. It is in this backdrop that the Complainant, on account of the Respondent's continued default, the absence of any specified possession date, and the failure to demonstrate any progress on the project, wishes to withdraw from the project altogether and seek a refund of the amounts paid, rather than await completion on terms that remain wholly undefined.

26. In light of the above foregoing observations, this Authority notes that the Complainant is entitled for relief under Section 18(1)(a) of the RE(R&D) Act, 2016 which reads as follows:

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

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

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

27. In view of the findings recorded hereinabove and in exercise of powers contended under Section 18(1)(a) of the RE(R&D) Act, 2016, this Authority holds that the Complainant is entitled to withdraw from the project and seek a refund of the amount paid.

28. Accordingly, the Complainant is entitled for Refund of the amount paid to the Respondent No.1 along with interest at the rate prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, i.e., the State Bank of India's Marginal Cost

of Lending Rate (MCLR) plus 2% per annum (i.e., 8.70% + 2%), calculated from the respective date of Agreement of Sale date: 05.02.2024 until the date of actual refund.

29. Point II is answered accordingly.

E. Directions of the Authority:

30. In exercise of the powers conferred upon this Authority under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, and in furtherance of the findings and conclusions drawn hereinabove, the following directions are hereby issued:

- a. The Respondent is directed to refund Rs.79,00,000/- (Rupees Seventy-Nine Lakh Only) along with interest at the rate of 10.70% per annum (SBI MCLR of 8.70% + 2%) from the date of the Agreement of Sale dated 05.02.2024 till the date of actual refund in accordance with Rule 15 of the Telangana RE(R&D) Rules, 2017 within 40(forty) days from the date of this Order;
- b. In view of the findings under Point I, holding that Respondent No. 1 has marketed and sold plots and villas in an unregistered project in contravention of Section 3(1) of the RE(R&D) Act, 2016, this Authority directs that Respondent No. 1 is liable to pay a penalty of Rs.1,03,44,189/- towards violation of Section 3 for non-registration of the project "Abhi's Aloha," payable within 40 (forty) days from the date of this Order in favour of TG RERA through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036; Failing to comply with the same shall attract penalty in accordance with Section 63 of the Act, 2016
- c. Respondent No. 1 is hereby restrained from, in any manner whatsoever, advertising, marketing, booking, selling, or offering for sale, or inviting any person to purchase any unit in the project titled "Abhi's Aloha", either directly or indirectly.

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

32. The complaint stands disposed of in the above terms. There shall be no order as to costs.

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

Sd/-
Sri Laxminarayana Jannu,
Hon'ble Member,
TG RERA