

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 185 of 2025

22nd June, 2026

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

Between:

Chilakalapudi Venkateshwara Rao

Plot No. 29, Balaji Ajanadri gated community,
Kanchavani Singaram, Ghatkesar,
Hyderabad, Telangana- 500039

...Complainant

And

1. M/s. R Homes

Represented by its Managing Director Smt. Chakka Sudha Rani,
Door No.: 33 & 34, Sai Krishna Villas, Flat No. 503,
5th Floor, AS Raju Nagar, Kukatpally,
Hyderabad, Telangana- 500072

2. Anagandula Yellam @ Yellaiah

R/o. H. No. 4-84, Cheekod,
Village of Musthabad Mandal of Rajanna Sircilla District,
Telangana- 505404.

3. V. Manoj Kumar

R/o. Flat No. 507, New Mark Prithvi Homes
Kompally, Medchal-Malkajgiri,
Telangana- 500014

4. Poornachander Rao Gadigottu @ Poornaiah,

R/o. M/s. Mother India Realty Pvt. Ltd.,
Plot No. 40 & 41, Shreays CVR Apartment,
Behind Omni Hospital, Kukkatpally,
Hyderabad, Telangana- 500072

...Respondents

The present matter filed by the Complainant herein came up for final hearing before this Authority in the presence of learned counsel Sri Avunoori Ramakanth Rao for the Complainant, learned counsel Sri D. Gowri Shankhar for Respondent No.1, and learned counsel Sri Shapuram Srinivas for Respondents No.2 to 4. However, they did not file counters despite service of notices and several adjournments granted by this Authority. Even on 28.11.2025 the Respondent Nos. 3 and 4 failed to appear before this Authority inspite of service of notices several times. The Respondent No.1 is also did not appear before this Authority

inspite of notices issued several times. Hence, the Respondent No.1 is set ex-parte and the matter was heard accordingly. Having heard the learned counsel for the Complainant and upon perusal of the material available on record, this Authority proceeds to pass the following **ORDER:**

2. The present Complaint have been instituted by the Complainant under Section 31 of the Real Estate (Regulation and 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 and Regulation framed thereunder (hereinafter referred to as the “TG RE (R&D) Rules”), seeking appropriate relief(s) against the Respondents in accordance with the provisions of the RE (R&D) Act, 2016.

A. Brief Facts of the Case:

3. The Complainant respectfully submits that, with the intention of purchasing a residential apartment for the welfare and future security of his family, he was induced by the advertisements, promotional campaigns, and pre-launch offers made by Respondent No.1 through celebrities, brochures, and marketing agents. In furtherance thereof, Respondent Nos. 2 and 4 approached the Complainant and made false representations regarding the project and its approvals. Believing the assurances made by the Respondents and relying upon the reputation projected by them, the Complainant agreed to invest in an apartment under the pre-launch scheme.

4. It is submitted that although Respondent No.1 executed an Agreement of Sale-cum-General Power of Attorney with the landowners only on 17.05.2022, it had conducted a “Bhoomi Pooja” at the project site on 21.04.2022, thereby falsely projecting that it possessed lawful ownership and authority over the land. The Complainant and other prospective purchasers were shown videos and promotional material relating to the said ceremony, inducing them to believe that the project was legally authorized and ready for development. It later came to light that the Respondent had neither secured lawful rights over the land nor obtained mandatory approvals under the Real Estate (Regulation and Development) Act, 2016 at the relevant time. Further, Respondent No.4, acting as mediator and agent of Respondent No.1, represented to the Complainant and other buyers that the project had already obtained RERA approval and circulated a PDF document purportedly evidencing such approval through a WhatsApp group. Relying upon the said representations and purported approval document, the

Complainant and other purchasers were induced to make substantial payments towards the project.

5. However, it was subsequently discovered that Respondent No.1 obtained actual RERA registration only on 23.09.2023, and the alleged approval document circulated earlier was later removed from the WhatsApp group, indicating deliberate suppression of evidence and intentional misrepresentation. The aforesaid acts constitute suppression of material facts, fraudulent inducement, unfair trade practices, and violation of the statutory provisions of the RERA Act, 2016.

6. In pursuance of the demands raised by the Respondent Company, the Complainant made the following payments towards the subject apartment:

- i. Rs.1,000/- on 21.12.2020;
- ii. Rs.1,99,000/- on 21.12.2020;
- iii. Rs.1,000/- on 21.12.2020;
- iv. Rs.2,99,000/- on 21.12.2020;
- v. Rs.3,00,000/- on 30.12.2020;
- vi. Rs.2,00,000/- on 31.12.2020;
- vii. Rs.4,95,000/- on 12.02.2021.

The receipts and supporting documents evidencing the said payments are filed herewith.

7. It is submitted that despite collecting substantial amounts from the Complainant, the Respondent Company failed to complete the construction within the agreed timeline stipulated under the Agreement for Investment dated 18.02.2022, which provided for completion within 30 months with an additional grace period of 6 months and payment of rental compensation of Rs.6,000/- per month in case of delay. The Complainant, who had initially invested in “Jai Vasavis Bliss Heights,” was subsequently and forcibly shifted to “Jai Vasavi’s ORR Heights” due to non-progress of construction. It is further submitted that Respondent No.1 obtained RERA registration only on 23.09.2023, despite having already advertised, marketed, accepted bookings, executed agreements, and collected substantial amounts from purchasers prior thereto, in clear violation of Sections 3(1) and 13 of the Real Estate (Regulation and Development) Act, 2016.

8. It is submitted that despite repeated requests and demands made by the Complainant regarding the status of the project, neither Respondent No.1 nor its mediators furnished any

satisfactory response. Consequently, one of the purchasers, Respondent No.3, lodged a complaint before the Economic Offences Wing, resulting in registration of FIR No. 87/2024 dated 22.11.2024 against the Respondents for allegedly cheating and defrauding purchasers through false pre-launch schemes. In the aforesaid circumstances, the Complainant respectfully prays that this Hon'ble Authority may be pleased to direct the Respondents to refund the entire amount paid by the Complainant along with applicable interest, rental compensation as agreed under the Agreement, and such other reliefs as this Hon'ble Authority may deem fit and proper in the interest of justice.

B. Relief(s) Sought:

9. Accordingly, the Complainant sought the following relief(s):

- a. Direct the Respondent No.1 to refund the entire amount of Rs.14,95,000/- paid by the Complainant towards the subject apartment, together with applicable interest.*
- b. Direct the Respondent to pay interest for the delay in handing over possession of the subject premises, as prescribed under the provisions of the Act;*
- c. Pass such other order or relief as this Hon'ble Authority may deem fit and proper in the facts and circumstances of the case.*

C. Interim order:

10. The Authority, vide interim order dated 18.09.2025 passed in above captioned complaint, observed that Respondent No.1, being the promoter of the project "Jai Vasavis ORR Heights" bearing Registration No. P01100005314, had prima facie violated the provisions of the Real Estate (Regulation and Development) Act, 2016, by collecting substantial amounts from the Complainant prior to obtaining mandatory registration, falsely representing that the project had obtained RERA approval during the pre-launch stage, and failing to undertake meaningful construction activity despite considerable lapse of time. The Authority further noted that although an Agreement dated 18.02.2022 was executed and an amount of Rs.14,95,000/- was collected from the Complainant, construction progress remained negligible with only rudimentary basement work carried out and no substantial development thereafter, thereby substantiating the apprehension of abandonment of the project. The Authority also observed that Respondent No.1 had failed to comply with mandatory statutory obligations under the Act, including submission of Quarterly Progress Reports, Annual Statements of Accounts, audit reports, and Form-7 disclosures for multiple financial years, thereby compromising transparency and financial accountability. Accordingly, in exercise of powers under Sections

36 and 7(3) of the RE (R&D) Act, the Authority placed the project in abeyance, restrained Respondent No.1 from marketing, booking, or alienating units in the project, directed freezing of the designated project bank accounts, and further directed the concerned Sub-Registrars not to entertain or register any conveyance or sale transactions relating to the project pending further adjudication.

D. Show Cause Notice:

11. While the matter stood thus, this Authority had issued Show Cause Notice dated 31.07.2025 to the Respondents, observing that Respondent Nos. 2 to 4 were acting and functioning as real estate agents in relation to the project “Jai Vasavis ORR Heights” situated at Patancheru, Sangareddy District, Telangana-502300, by canvassing prospective purchasers, facilitating bookings, and negotiating sale transactions without obtaining mandatory registration as real estate agents under Section 9 of the Real Estate (Regulation and Development) Act, 2016. It was further observed that the said Respondents continued to undertake activities falling within the ambit of “real estate agent” as defined under the RE (R&D) Act, 2016, without obtaining registration under Section 9 thereof, thereby constituting a continuing violation of the statutory mandate prescribed under the Act and attracting penal consequences under Section 62 of the RE (R&D) Act, 2016.

E. Points for consideration:

12. After deliberation on the facts and circumstances of the present case and the documents filed in this behalf, following issues sprout for consideration:

- I. Whether the Respondents have violated any provisions of the RE (R&D) Act, 2016?
- II. Whether the Complainant is entitled to the relief(s) as prayed for? If yes, to what extent?

F. Observation of the Authority:

Point I

13. Upon careful consideration of the material available on record and the submissions made by the Complainant, this Authority observes that, despite due service of notices and sufficient opportunities having been afforded, the Respondents failed to appear or file any counter and were accordingly set ex-parte. In such circumstances, this Authority proceeds to adjudicate the matter on the basis of the material available on record and the unrebutted evidence placed before it. This Authority further observes that Respondent No.1, being the

promoter of the project “Jai Vasavis ORR Heights,” indulged in a systematic course of conduct involving inducement of prospective purchasers through pre-launch offers from 18.02.2022 onwards, accompanied by wide publicity and assurances, followed by collection of substantial amounts under the guise of investment arrangements and subsequent execution of Agreements for Investment.

14. Under Section 3(1) of the Real Estate (Regulation and Development) Act, 2016, no promoter shall advertise, market, book, sell, offer for sale, or invite persons to purchase in any manner any plot, apartment, or building in a real estate project without prior registration of the project with the Authority. In the present case, the material available on record establishes that Respondent No.1 had entered into transactions with the allottee(s) pursuant to the said Agreement prior to obtaining registration of the project, and that no Completion Certificate or Occupancy Certificate has been obtained till date. Hence, the subject project squarely falls within the ambit of an “ongoing project” as contemplated under Section 3(1) of the RE (R&D) Act read with Rule 2(1)(j) of the Telangana Real Estate (Regulation and Development) Rules, 2017, and was mandatorily required to be registered with this Authority within the prescribed period. Therefore, the continued marketing, sale, and collection of consideration by the Respondents without obtaining such registration constitute a clear and continuing violation of the statutory provisions.

15. For ease of reference, Section 3(1) of the RE(R&D) Act stipulates that:

“No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act:

Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act:

Provided further that if the Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but

with the requisite permission of the local authority, it may, by order, direct the promoter of such project to register with the Authority, and the provisions of this Act or the rules and regulations made thereunder, shall apply to such projects from that stage of registration.”

Further Rule 2(1)(j) of TG RE(R&D) Rules 2017,

“Ongoing Project” means a Project where development is going on and for which Occupancy Certificate or Completion Certificate from the Competent Authority has not been issued as on the date of coming into force as per subsection (1) of section 3 of the Real Estate (Regulation & Development) Act, 2016.

16. Under the guise of pre-launch offers during the relevant period and through the said Agreement for Investment, the Respondents had actively advertised and invited prospective purchasers to invest in the project and had collected substantial amounts even prior to registration of the project, which conduct is expressly prohibited under Section 3(1) of the RE (R&D) Act, 2016. Such acts of inducing the public, accepting advances, and entering into arrangement for sale without registration are illegal and void in law.

17. In the present instance, Respondent No.1 had entered into an “Agreement for Investment” with the Complainant during the pre-registration phase and subsequently converted the same into a unit allotment. The nomenclature assigned to such transaction is immaterial, as the substance and true nature of the transaction unequivocally establish that the Complainant had acquired rights and interests in the subject project in consideration of the amounts paid, thereby falling within the ambit of “allottee” as defined under Section 2(d) of the RE (R&D) Act, 2016.

18. A perusal of the said Agreement reveals that Respondent No.1, as the first party, had proposed construction of three apartment blocks and invited investors, including the Complainant, to purchase flats at a predetermined rate per square foot. The said Agreement further sets out various specifications and promised amenities such as a swimming pool, children’s play area, gymnasium, multipurpose hall, indoor games facilities, landscaped gardens, and other common infrastructure, along with provision for car parking and security systems. It is further evident that Respondent No.1 had reserved unilateral rights to alter the flat allocation, subject to availability and approvals from the competent authorities, including HMDA, and stipulated that final allotment would be made upon obtaining the requisite

sanctions and approvals. The material available on record further reflects that Respondent No.1 had acknowledged receipt of the consideration amount paid by the Complainant and recorded that no dues were outstanding.

19. At the outset, this Authority deprecates the conduct of Respondent No.1 in adopting a circuitous and impermissible method by styling the transactions as “Agreements for Investment” with a view to circumvent the mandatory provisions of the RE (R&D) Act, 2016. Such an artifice, in the considered opinion of this Authority, is nothing but a colourable exercise intended to defeat the object and scheme of the statute. The material available on record unequivocally demonstrates that Respondent No.1 had, in fact, invited to purchase, fixed consideration on a per square foot basis, specified amenities and project features, acknowledged receipt of the entire consideration amount, and conferred identifiable rights and interests in specific units, albeit subject to unilateral variations.

20. This Authority holds that the conduct of Respondent No.1 squarely amounts to marketing and sale of apartments in an unregistered project, in clear violation of Section 3 of the RE (R&D) Act, 2016, and any attempt to disguise the same under alternative nomenclature is legally untenable. Respondent No.1 cannot be permitted to approbate and reprobate, nor evade statutory obligations through mere misdescription of the transaction. Notwithstanding the use of the expression “Agreement for Investment,” this Authority finds that the contents, recitals, and covenants thereof are, in substance and effect, in the nature of an Agreement for Sale, bearing all essential attributes thereof, including identification of units, specification of consideration, and stipulation of amenities and project facilities. Accordingly, the said “Agreements for Investment” are liable to be construed as Agreements for Sale within the meaning of the Act, and Respondent No.1 is consequently bound by all attendant statutory obligations and liabilities arising therefrom, without any dilution whatsoever.

21. It is borne out from the record that Respondent No.1 commenced dealings with prospective purchasers as early as the year 2022 by entering into “Agreements for Investment” prior to registration of the project, and continued such dealings even subsequent to registration of the project bearing Registration No. P01100005314. Such continuous course of conduct establishes that Respondent No.1 had been dealing with the project at all stages without ensuring compliance with the statutory framework prescribed under the RE (R&D) Act, 2016. It is further observed that, notwithstanding receipt of substantial consideration amounts from the Complainant, no substantial developmental activity has been undertaken at the project site,

and no Occupancy Certificate has been obtained till date. The project, therefore, remains incomplete and under development, thereby attracting the mandatory provisions applicable to ongoing projects under the RE (R&D) Act, 2016.

22. In view of the above, this Authority holds that the acts of the Respondent No.1, including entering into pre-registration transactions, execution of “Agreements for Investment,” continued dealing with the subject project without statutory compliance, and failure to undertake and complete construction within a reasonable and time bound manner, constitute a clear and continuing violation of Section 3 and other applicable provisions of the RE (R&D) Act, 2016, thereby rendering Respondent No.1 liable for all statutory consequences and liabilities arising therefrom.

23. This Authority has carefully examined the allegations made by the Complainant against Respondent Nos. 2 onwards with regard to their alleged involvement in collection of amounts, mediation, negotiation, canvassing, and facilitation of sale transactions in relation to the subject project. Though the Complainant has alleged that the said Respondents acted as intermediaries and participated in the promotional and transactional activities of the project, no documentary evidence whatsoever has been placed on record to substantiate such allegations.

24. In particular, the Complainant has failed to place on record any material evidencing collection of consideration amounts by the said Respondents, participation in negotiations, facilitation of bookings, correspondence with prospective purchasers, brokerage arrangements, or any other act demonstrating their involvement in the sale transactions so as to attract the provisions of Section 2(zm) read with Section 9 of the RE (R&D) Act, 2016. Mere bald and unsubstantiated allegations, unsupported by cogent documentary evidence, cannot form the basis for recording a finding of violation under the provisions of the RE (R&D) Act, 2016.

25. Therefore, in the absence of any substantive material establishing that the said Respondents had acted as “real estate agents” within the meaning of Section 2(zm) of the RE (R&D) Act, 2016, this Authority is not inclined to proceed further against them with respect to the aforesaid allegations. Accordingly, no violation can be recorded against the said Respondents on this count.

Point II

26. As can be gathered from the submissions and averments made by the Complainant, the principal relief sought against Respondent No.1 to refund the entire amount of Rs.14,95,000/-

paid by the Complainant towards the subject Flat No. 102, along with the applicable interest as prescribed under the provisions of the RE (R&D) Act, 2016, on account of failure of Respondent No.1 to complete the project and hand over possession within the stipulated time.

27. The substantial amounts have been collected by Respondent No.1 from the Complainant under the said Agreement without any corresponding progress in development or completion of the project, thereby substantiating the claim of the Complainant for refund of the amounts paid, together with interest and consequential reliefs under the provisions of the RE (R&D) Act, 2016.

28. Section 18(1) of the RE (R&D) Act, 2016 reads thus:

“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.”

29. The Respondent No.1 has received substantial amounts from the Complainant towards the subject project, as detailed hereinabove in Para 26, and has failed to either complete the project or hand over possession within the stipulated time. Accordingly, Respondent No.1 is held liable to refund the amounts paid by the Complainant, along with interest, in accordance with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017 framed under the RE (R&D) Act, 2016, i.e., at the rate of the highest Marginal Cost of Lending Rate (MCLR) of the State Bank of India plus 2%, which presently stands at 10.70% per annum (8.70% + 2%), from the respective dates of payment till realization.

30. Further, this Authority is of the considered view that the cumulative conduct of Respondent No.1 warrants initiation of proceedings for revocation of registration of the project

“Jai Vasavis ORR Heights” bearing RERA Registration No. P01100005314 under Section 7 of the Real Estate (Regulation and Development) Act, 2016. The grounds necessitating such action are as follows:

31. The Respondent No.1 had, even prior to obtaining RERA registration, commenced marketing, entered into agreements, and collected substantial consideration from allottee in brazen violation of Section 3(1) of the RE(R&D) Act, 2016. Despite obtaining registration on 23.11.2021, the Respondent No.1 has continued to default on its statutory and contractual obligations, inasmuch as no substantial construction activity has been commenced at the project site and no Occupancy Certificate or Completion Certificate has been obtained till date. The Respondent No.1 has further failed to submit Quarterly Progress Reports and financial disclosures as mandated under the Act and the Rules framed thereunder, thereby demonstrating a persistent and willful non-compliance with the regulatory framework.

32. Further, this Authority directed an inspection of the concerned project site through the Engineering Staff College of India (ESCI), and as per the ESCI Report bearing No. ESCI/PD/TPQC/TGRERA/32/2026-27, it was assessed that the present stage of construction work was only 1.0% of the total project work at the time of inspection, and no active construction activity was observed at the site of the said project. It is also pertinent to note that this Authority, vide interim order dated 18.09.2025, had directed that the registration of the subject project be kept in abeyance pending adjudication of the present complaint, in view of the prima facie violations established at that stage. The findings recorded in the present final order only reinforce and fortify the conclusion that the Respondent No.1 has systematically abused the registration framework, used it as a mere facade of legitimacy while continuing to deceive allottees, and has demonstrated no intention or capacity to complete the project. Continued subsistence of the registration in such circumstances would be contrary to the object and purpose of the RE(R&D) Act, 2016, and would cause further prejudice to the allottees and the public at large.

33. Accordingly, the Secretary, Telangana RERA, is hereby directed to issue a Show Cause Notice to the Respondent No.1 within a period of seven (7) days from the date of this Order, calling upon it to show cause as to why the registration of the subject project bearing No. P01100005314 shall not be revoked under Section 7 of the RE(R&D) Act, 2016, and to initiate and proceedings expeditiously, in the interest of the aggrieved allottees.

G. 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. The Respondent No.1, M/s R Homes, is hereby restrained forthwith from advertising, marketing, booking, selling, offering for sale, or collecting any further consideration in respect of the project "Jai Vasavis ORR Heights" bearing RERA Registration No. P01100005314, until further orders of this Authority.
- ii. The Respondent No.1 is directed to refund the amount of Rs.14,95,000/- paid by the Complainant, as detailed in the table at Para 26 hereinabove, along with interest at the rate of 10.70% per annum (being the current highest MCLR of the State Bank of India at 8.70% plus 2%), calculated from the respective dates of payments made by the Complainant till the date of actual realization, within a period of sixty (60) days from the date of receipt of this Order.
- iii. The Secretary, Telangana RERA, is directed to initiate proceedings under Sections 59 and 60 of the RE(R&D) Act, 2016 for imposition of appropriate penalty against the Respondent No.1 for violations of Sections 3 and 13 of the RE(R&D) Act, 2016 subject to the approval of this Authority, within a period of fifteen (15) days from the date of this Order.
- iv. The Secretary, Telangana RERA, is further directed to issue a Show Cause Notice to the Respondent No.1 within a period of seven (7) days from the date of this Order, calling upon it to show cause as to why the registration of the subject project bearing No. P01100005314 shall not be revoked under Section 7 of the RE(R&D) Act, 2016, in view of the following:
 - a) The Respondent No.1 had commenced marketing, entered into said agreement, and collected consideration from allottees prior to obtaining mandatory RERA registration, in violation of Section 3(1) of the RE(R&D) Act, 2016;
 - b) Despite obtaining registration on 23.11.2021, the Respondent No.1 has failed to commence any substantial construction activity at the project site and has not obtained any Occupancy Certificate or Completion Certificate till date;
 - c) The Respondent No.1 has persistently failed to submit Quarterly Progress Reports and mandatory financial disclosures as required under the RE(R&D)

Act and TG RE(R&D) Rules framed thereunder, reflecting a continuing and willful disregard of its statutory obligations;

- d) This Authority, vide its interim order dated 18.09.2025, had already directed that the registration of the subject project be kept in abeyance, having found a prima facie case of default, the findings in the present final order conclusively reinforce that position;
- e) The continued subsistence of the registration of the project in such circumstances would be contrary to the object and purpose of the RE(R&D) Act, 2016 and would cause further irreparable prejudice to the allottees and the public at large.

35. Failure on the part of the Respondent No.1 to comply with the directions issued hereinabove shall attract proceedings under Section 63 of the RE(R&D) Act, 2016, and this Authority reserves the right to take all such further action as may be warranted in law.

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 Narayana Jannu, Hon'ble Member TG RERA
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