

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY
[Under the Real Estate (Regulation and Development) Act, 2016]

Complaint No. 291 of 2024

22nd October 2025

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

Rangacharyulu Amaravadi

(R/o-37-16/4/2, P. No. 121, Defence Colony, Sainikpuri, Secunderabad, Telangana 500094)

...Complainant

And

M/s Suvarnabhoomi Infra Developers Pvt Ltd.

(Represented through its Managing Director, Bollineni Sridhar, 8-2-680/3, 3rd floor, Krishna Raj Towers, Raod No.12, Opp. SBI Bank, Banjara Hills, Hyderabad, Telangana 500034)

M/s Maha Infra and Developers

(Represented through its Managing Partner, Munnangi Ravi Kumar, H. No. 1-110/A/64, 67, 4th floor, RRG Heights, Opp. CR Foundation, Kondapur, Hyderabad Telangana 500081)

...Respondent(s)

The present matter filed by the Complainant herein came up for hearing on 08.04.2025 before this Authority in the presence of Complainant in person and the Counsel for Respondent No.1, J. Venugopal and Counsel for Respondent No.2, Smt. Lakshmi Kumari Chintalapudi, and after hearing the arguments of the parties, this Authority passes the following **ORDER:**

2. The present Complaint has been filed by the Complainant under Section 31 of the Real Estate (Regulation & Development) Act, 2016 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 reliefs against the Respondents.

A. Brief Facts of the Case:

3. The Complainant submitted that the present case pertains to the real estate project titled “Suvarna Sampada 2,” also known and promoted as “Silpa’s Suvarna Sampada 2,” which is an open plot layout project situated in Survey Nos. 49/9 and 50/P at Rameshwar Banda Village, Patancheru Mandal, Sangareddy District. The project was duly registered with the Telangana Real Estate Regulatory Authority under Registration No. P01100001036, valid from July 16, 2019, to June 30, 2021. It was submitted that the developer, M/s Maha Infra and Developers, represented by its Managing Partner Mr. Munnangi Ravi Kumar, had originally applied for layout approval from the Hyderabad Metropolitan Development Authority (HMDA) on June 30, 2018, and received approval under LP No. 000128/LO/PLG/HMDA/2018. It was further submitted that M/s Suvarnabhoomi Infra Developers Pvt. Ltd., represented by its Managing Director Mr. Bollineni Sridhar, undertook the marketing and resale of the plots in the said project.

4. The Complainant further submitted that he had purchased Plot No. 112, admeasuring 288 square yards, through a registered sale deed bearing No. 46940 of 2019, executed on November 2, 2019, within the above-mentioned layout. As per the HMDA-approved layout and development norms, the developer was obligated to complete the project within a three-year period from the date of layout approval, i.e., by June 30, 2021. However, the Complainant contended that despite the passage of more than six years since the commencement of the project and three years beyond the stipulated completion date, significant development works remain incomplete.

5. It was specifically submitted that key development components such as black-topped roads and internal carriageways have not been laid. The Complainant further alleged that no electrical transformers, poles, or supply lines have been installed in the layout. Similarly, underground drainage systems, a common septic tank or STP, and water supply pipelines have also not been constructed. The layout continues to lack basic infrastructure such as boundary demarcation, installation of a name board, street lighting, and amenities including rainwater harvesting pits, avenue plantations, and a stormwater drainage system. The development of

designated park areas, ornamental low-height compound walls, and grill fencing around open spaces also remains pending.

6. The Complainant also submitted that the main approach road providing access to the layout from the nearest public road is incomplete and remains a significant concern. This road, which is vital for ingress and egress, has not been constructed, allegedly due to ongoing litigation pending before the Court of the Junior Civil Judge at Sangareddy, in O.S. No. 959/2019 (Registration No. 763/2019). As a result, the internal roads and primary access to the layout are yet to be developed, severely impairing the usability and habitability of the plots.

7. It was further submitted that the developer failed to take necessary steps for obtaining electrical infrastructure approvals from TSSPDCL. Specifically, the developer did not apply for the installation of an electrical transformer nor remit the requisite fee. Instead, unauthorized streetlight poles were installed in the layout without formal sanction, which were subsequently removed by TSSPDCL during a site inspection, thus confirming the unauthorized nature of the installations.

8. The Complainant alleged that over the course of the past year, he and other plot owners had approached Mr. Bollineni Sridhar, representative of M/s Suvarnabhoomi Infra Developers Pvt. Ltd., on more than ten occasions, seeking clarity and timelines on project completion. Although verbal and written assurances were given on each occasion, no progress was made on ground. When questioned in August 2023 regarding the continued delay, the Complainant submitted that the representative responded with verbal abuse, which caused further mental agony and distress.

9. The Complainant additionally submitted that M/s Suvarnabhoomi Infra Developers Pvt. Ltd. engaged prominent film actors to endorse and promote the project through advertisements and public campaigns. These endorsements misrepresented the state of the layout and created a false impression of well-developed infrastructure, thereby misleading prospective purchasers, including the Complainant. It was further brought to the attention of this Authority that several reports have surfaced in print and electronic media, including social media platforms,

highlighting alleged fraudulent practices and cheating complaints against the developer company, substantiated by relevant video clips and media links.

10. It was also alleged that due to the inaction and neglect on the part of the developer, the project site is currently being misused by local villagers who have turned portions of the layout into a dumping ground. An unauthorized pathway has also been illegally created through the southern portion of the layout, further encroaching upon and compromising the plotted development.

11. Most critically, the Complainant alleged that the developer has illegally sold plots that were mortgaged to HMDA. Specifically, Plot Nos. 52 to 64 and 196 to 198, measuring a total of 5,558 square meters, which were mortgaged as security in favour of HMDA at the time of layout approval, were sold in violation of the applicable regulations. It was submitted that the developer collected substantial amounts from unsuspecting purchasers in respect of these plots, despite the mortgage restriction, thereby committing a serious regulatory breach.

12. In view of these submissions, the Complainant urged this Authority to take cognizance of the ongoing non-compliance and regulatory violations by both the developer and the marketing agency, and to pass appropriate directions for completion of the development works, restoration of promised infrastructure, refund of amounts where necessary, and imposition of penalties under the applicable provisions of the RERA Act.

B. Relief(s) Sought

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

- a. Requesting authorities to direct and issue notice to M/s Suvarnabhoomi Infra Developers Pvt Ltd and M/s MAHA INFRA AND DEVELOPERS to complete the project within 45 days or face penal action.*
- b. If it is found after 45 days that the developer has failed to develop the layout with the infrastructure facilities as specified by HMDA, the area so mortgaged in favour of HMDA should be forfeited in favour of HMDA. Then RERA and HMDA are requested to take criminal action against the developer and marketer against M/s*

Suvarnabhoomi Infra Developers Pvt Ltd and M/s MAHA INFRA AND DEVELOPERS as per provisions of the acts.

- c. Requesting Telangana RERA to cancel the approvals accorded to their other real estate projects till this project is completed or any other suitable measures as per the provisions of the Real Estate (Regulation and Development) Act, 2016.*
- d. There is a court case pending with the Junior Civil Judge Court Sangareddy OS No 959/2019, Registration No 763/2019 and CNR Number TSSN030017352019 on the approach road, the developer and marketer shall be responsible for settlement of the same.*
- e. Requesting RERA authorities to visit the site to check for non-conformity.*
- f. Summon the developer and marketer for a face-to-face meeting with the plot owners as they are evading meeting.”*

C. Counter Filed by respondent No.1

14. Accordingly, notices were issued to the Respondents, Respondent No.1 entered appearance and filed a reply denying all the allegations and submitted that present complaint is neither maintainable on law nor on facts and the same is liable to be dismissed.

15. Respondent No.1 submitted that the Suvarna Sampada II layout located in Survey Nos. 49/9 and 50/P at Rameshwaram Banda Village, Patancheru Mandal, Sangareddy District, was duly approved by the HMDA and developed by Maha Infra Projects Ltd. Respondent No.1 denied any involvement in the marketing or resale of plots. However, it was admitted that Respondent No.1 had executed registered sale deed in favour of the complainant. Respondent No.1 contended that the allegations pertaining to incomplete development works are not attributable to it in any manner.

16. Respondent No.1 further submitted that the initial development rights were granted through a series of Development Agreements-cum-General Power of Attorney (GPA). One Smt. Santa Sree Hanumara, wife of H.D.V. Raghava Rao, executed such an agreement in favour of M/s Axis Constructions for one acre in Survey No. 49, through Document No. 40381/2018 dated 15.10.2018. In a similar manner, Respondent No.2, represented by Sri Munnangi Ravikumar, entered into a Development Agreement-cum-GPA for five acres in Survey No. 50 (part) with

M/s Axis Constructions and Sri Chirumamilla Naveen, as per Document No. 29960/2018 dated 02.08.2018.

17. Respondent No.1 additionally submitted that M/s Axis Constructions, represented by Sri P. Muralikrishna, also entered into a Development Agreement-cum-GPA with Respondent No.2 and two other individuals for an extent of 3.20 acres in Survey Nos. 49 and 50, through Document No. 29961/2018 dated 02.08.2018. Further, landowners such as Katika Meera Bai, Chandu Ambika, and Jamalapur Rani executed Development Agreements-cum-GPAs in favour of Respondent No.2, M/s Axis Constructions, and Sri Chirumamilla Naveen for four acres in Survey No. 49 (part), under Document No. 29962/2018 dated 02.08.2018.

18. Respondent No.1 also submitted that Sri Salaji Ramakrishna Vasantha Prasada Rao and Shilpa Bongu entered into a similar Development Agreement-cum-GPA with M/s Axis Constructions for 0.31 acres in Survey No. 50, vide Document No. 38210/2018 dated 29.09.2018. Following these agreements, Respondent No.2 applied to HMDA for layout approval, which was granted under File No. 000128/LO/PLG/HMDA/2018, subject to certain conditions. One of the conditions mandated that specific plots be mortgaged to HMDA, which was duly complied with by Respondent No.2. Upon receiving the approval, Respondent No.2 also obtained project registration from the concerned authority under Registration No. 301100001036.

19. Respondent No.1 further submitted that an Agreement of Sale-cum-GPA was executed in its favour by Respondent No.2 and M/s Axis Constructions for Plot Nos. 24, 35, 115, 116, 118, 132 to 138, and 168 to 170, totaling an extent of 2,814 square yards. A registered sale deed was executed to that effect under Document No. 4034/2019 dated 30.01.2019. In addition, Respondent No.1 purchased Plot Nos. 2, 17, 43, 45, 47, 49, 50, 51, 65, 66, 71, 90, 91, 122/P, 131, 157, 158, 163, 164, 167, 174, 175, 182, 187, and 189 to 193, measuring 6,320 square yards, from Respondent No.2, M/s Axis Constructions, and other landowners. This transaction was registered under Document No. 20233/2019 dated 08.05.2019 after full consideration was paid.

20. Respondent No.1 also submitted that it subsequently acquired an additional 1,558 square yards through the purchase of Plot Nos. 16, 26, 108, 148, 149, 161, and 188, through Document

No. 35537/2019 dated 14.08.2019. Moreover, Plot Nos. 146 and 160, measuring 334 square yards, were purchased via Document No. 55117/2019 dated 28.12.2019. Respondent No.1 asserted that it became the absolute owner and possessor of the said plots by way of these registered sale deeds. All these plots fall within the HMDA-approved layout developed by Respondent No.2 and M/s Axis Constructions.

21. Respondent No.1 further submitted that it neither obtained layout approval nor applied for project registration with the authority. Its role was confined to that of a genuine plot owner who purchased and subsequently sold plots to prospective buyers. It was clarified that the layout plan annexed by the complainant highlights certain areas with markings, but the roads shown in those areas have in fact been completed. Respondent No.1 emphasized that even the photographs submitted by the complainant clearly show the completed road and footpath infrastructure, thereby indicating that the development work was indeed carried out.

22. Respondent No.1 submitted that it, too, is a victim, having purchased the plots in good faith and for valid consideration. It reiterated that the development work in the layout stands completed. However, in the unlikely event that any portion remains pending, the HMDA has the authority to sell the mortgaged plots and complete the necessary work. As of the current date, those mortgaged plots have not been released by HMDA.

23. Respondent No.1 also submitted that Respondent No.2 executed a conveyance deed in favour of HMDA for an extent of 7,414 square metres. Should there be any shortfall in development, HMDA is empowered to dispose of the mortgaged plots and ensure completion of all outstanding works.

24. Respondent No.1, in conclusion, prayed that the complaint against it be dismissed in its entirety and sought imposition of exemplary costs on the complainant for having drawn it into a matter with which it has no connection in terms of development obligations.

D. Counter Filed by respondent No.2

25. Respondent No.2 also entered appearance and denied all the allegations made by the Complainant.

26. Respondent No.2 submitted that on 07.04.2018, it had lawfully acquired land measuring 5 acres in Survey Nos. 50/EE1, 50/E3, 50/E4, and 50/E1, situated at Rameshwaram Banda Village, Indresham Gram Panchayat, Patancheru Mandal, Sangareddy District, Telangana, through a registered sale deed bearing Document No. 12920/2018. Following this acquisition, Respondent No.2, along with six other landowners, jointly applied to the Hyderabad Metropolitan Development Authority (HMDA) for draft layout approval for open plots. The said application, numbered 011514/SKP/LT/U6/HMDA/09052018 and dated 09.05.2018, sought approval for land measuring 57,768.83 square meters located in Survey Nos. 49P and 50P within the same village and mandal.

27. Respondent No.2 further submitted that on 30.06.2018, HMDA granted approval for the draft layout and issued Layout Permit No. 000128/LO/PLg/HMDA/2018, covering a total area of 57,768.83 square meters. Of this, 37,055.17 square meters was designated for plotted development. This formal approval provided the necessary statutory backing for the proposed project and development activities.

28. Respondent No.2 additionally submitted that on 12.12.2018, it entered into a Memorandum of Understanding (MoU) along with the six other landowners with Respondent No.1. As per the terms of the MoU, Respondent No.1 agreed to purchase their respective share of plots at a mutually agreed rate of ₹4,500 per square yard. An advance amount of ₹1,00,00,000/- (Rupees One Crore Only) was paid by Respondent No.1 via RTGS as part of the sale consideration. In furtherance of the MoU, the landowners executed a registered Agreement of Sale-cum-General Power of Attorney (GPA) in favour of Respondent No.1, vide Document Nos. 4034/2019 dated 29.01.2019 and 20234/2019 dated 07.05.2019. Through these documents, Respondent No.1 was authorised to act as their agent for the sale of the scheduled property, either wholly or in parts, at a price and terms determined at its discretion, with full authority to receive and acknowledge earnest money.

29. Respondent No.2 submitted that, following the execution of the MoU and the Agreement of Sale-cum-GPA, Respondent No.1 launched the project titled *Silpa's Suvarna Sampada-2*, with the intent to market and sell the plots to prospective buyers. Respondent No.1 actively undertook the development of the project, promoted it through advertisements, and

independently fixed the terms of sale. Respondent No.2 clarified that it had no contractual relationship with the complainant and no involvement in the marketing or sale transactions executed by Respondent No.1. Since the Agreement of Sale-cum-GPA transferred all rights and responsibilities to Respondent No.1, Respondent No.2 ceased to have any ownership or control over the project and therefore could not be held liable for Respondent No.1's actions.

30. Respondent No.2 further submitted that it was Respondent No.1 who conceptualized and marketed the project, including publication of brochures and promotional material, highlighting development details and payment plans for the plots in *Silpa's Suvarna Sampada-2*. The timelines contained in those brochures outlined various phases of development, their progress, and current status, all of which were managed and communicated solely by Respondent No.1. Hence, Respondent No.1 bears full responsibility for executing the developmental activities related to the project.

31. Respondent No.2 also submitted that any pending developmental work specifically the laying of approach roads within the project falls squarely under the purview of Respondent No.1. This obligation was clearly outlined in the brochures and timeline schedules circulated by Respondent No.1, which explicitly show that the responsibility for infrastructure development, including roads, lies with Respondent No.1 alone. Accordingly, Respondent No.2 denied any accountability in this regard.

32. Respondent No.2 submitted that despite having relinquished its rights and obligations under the project, it, along with the six other landowners, has repeatedly urged Respondent No.1 to complete the project in a timely manner. This is particularly important as the release of plots mortgaged to HMDA an essential condition for layout approval depends entirely on the completion of the project. Only upon fulfillment of development obligations by Respondent No.1 would HMDA release those mortgaged plots back to the original landowners.

33. Respondent No.2 has contended that the provisions of Section 15 of the Real Estate (Regulation and Development) Act, 2016 are not attracted in the present matter, in view of the specific factual circumstances. It was submitted that the layout permission bearing LP No. was granted on 30.06.2018, subsequent to which Respondent No.2 executed an Agreement of Sale-

cum-General Power of Attorney (GPA), as well as registered sale deeds, in favour of Respondent No.1, thereby transferring his entire share of plots in the approved layout.

34. It was further submitted that Respondent No.1, having thus acquired the majority share in the layout, was initially under an obligation to apply for registration of the project under the RERA Act. However, owing to Respondent No.1's inability to proceed with the registration and in order to comply with the terms of the Memorandum of Understanding entered into between Respondents No.1 and 2, the responsibility to apply for registration was assumed by Respondent No.2, jointly with M/s Axis Constructions and one Mr. Ch. Naveen Kumar, under Section 3 of the RE(R&D) Act.

35. In this background, Respondent No.2 asserted that the alleged "transfer" of the real estate project to a third party, which is the mischief sought to be regulated under Section 15, had occurred much before the project was registered under the RE(R&D) Act, 2016 and at a time when there existed no allottees. Consequently, the requirement of obtaining the prior written consent of two-thirds of the allottees before effecting a transfer, as mandated under Section 15, does not arise in the present facts. It was therefore contended that the said provision is wholly inapplicable in the instant case.

36. Without prejudice to the above, it was also submitted that even if Section 15 were to be invoked, its applicability would be confined solely to Respondent No.1, who became the promoter within the meaning of the RE(R&D) Act, 2016 upon acquiring the majority share in the layout.

37. Furthermore, Respondent No.2 submitted that the application for registration of the project was filed jointly by him along with M/s Axis Constructions and Mr. Ch. Naveen Kumar, and that M/s Axis Constructions had also pledged immovable property as security for the purpose of such registration. In this regard, it was pointed out that the Complainant has failed to implead M/s Axis Constructions and Mr. Ch. Naveen Kumar as party Respondents to the present proceedings, despite their direct and substantial role in the registration process undertaken under Section 3 of the RE(R&D) Act.

38. In light of the above facts and submissions, Respondent No.2 prayed that the complaint filed against it be dismissed with exemplary costs, asserting that it had no role in the ongoing issues and was not responsible for the actions undertaken by Respondent No.1 post-execution of the Agreement of Sale-cum-GPA.

F. Observation of the Authority:

39. Before addressing the framed issues on merits, it is necessary to recall the object and purpose of the Real Estate (Regulation and Development) Act, 2016). The preamble to the RE(R&D) Act emphasises the need for establishing a regulatory framework for the real estate sector which ensures transparency, accountability and protection of the interests of home-buyers and allottees while promoting fair and orderly growth of the sector. To that end, the Act imposes stringent duties on promoters including, but not limited to, disclosure obligations at the time of registration, adherence to the sanctioned plan, timely completion of the project and avoidance of misleading or unfair trade practices in the marketing and sale of real estate. These obligations operate for the benefit of intending purchasers and to bring certainty into transactions which, by their nature, involve large public funds and long gestation periods.

40. The pleadings and documents placed before this Authority reveal a dispute of primary factual and legal importance: whether Respondent No.2 (the landowner/RERA registrant) and Respondent No.1 (the entity which marketed and sold plots under the trade-name "Silpa Suvarna Sampada-2") can each be considered a "promoter" within the meaning of Section 2(zk) of the RE(R&D) Act and thereby be held liable to the complainant/allottees for obligations cast upon promoters by the RE(R&D) Act.

41. The documentary record shows that Respondent No.2 (together with other co-owners) procured an HMDA draft layout for Sy. Nos. 49P & 50P (application No. 011514/SKP/LT/U6/HMDA dated 9.5.2018) and thereafter obtained formal sanction for an open-plot layout (permit No. 000128/LO/PLg/HMDA/2018). On 12.12.2018 the said landowners entered into a memorandum of understanding (MOU) with Respondent No.1 whereby they agreed inter alia to sell their allotted plots to Respondent No.1 for a stated consideration. Subsequent to the MOU, AGPAs were executed between the parties (Agreement of Sale cum General Power of Attorney — Doc. No. 4034/2019 dated 29.1.2019; Doc. No. 20234/2019 dated

7.5.2019). Thereafter, Respondent No.2 obtained RERA registration P01100001036 for the project described as “Suvarna Sampada 2” on 16.7.2019.

42. The sequence of events, on the materials before this Authority, therefore stands undisputed for present purposes Respondent No.2 was the original title-holder and obtained statutory and local approvals for a layout; before or in the course of registration Respondent No.2 transferred certain rights (by MOU and AGPAs) to Respondent No.1 who, in turn, marketed, advertised and sold plots under the trade/brand name "Silpa Suvarna Sampada-2".

43. The RE(R&D) Act provides a substantive definition of "promoter". Section 2(zk) envisages that a promoter is a person who constructs, causes to be constructed, or develops a project and includes, by explanation, persons who develop land into plots for the purpose of sale and persons who sell plots. The Explanation appended to clause (vi) of Section 2(zk) makes it clear that the developer and the seller may be different persons but both shall be deemed to be promoters and shall be jointly liable for the functions and responsibilities assigned to the promoter under the RE(R&D) Act.

44. The statutory architecture therefore commands a pragmatic and purposive approach: it is not the label adopted by the parties nor the internal arrangements inter se which alone determine the question of promotership, but the substance of the functions performed and the relationship that those functions create vis-à-vis third-party purchasers. Where one person obtains sanctioned layouts and registers a project but delegates or transfers, by express instrument, the right to market, receive consideration and conclude sale agreements with purchaser-allottees, both the transferor and the transferee will fall within the ambit of the definition of "promoter" in appropriate circumstances.

45. Applying these legal principles to the present record, the Authority records the following provisional findings:

46. The MOU (dated 12.12.2018) and the subsequent Agreement of Sale cum GPA (Docs. 4034/2019 & 20234/2019) show that substantial proprietary and operational rights in respect of several plots were transferred to Respondent No.1 and that Respondent No.1 assumed the responsibility to market, advertise, receive sale consideration and execute sale agreements with

purchasers in its own name. The documents placed on record AGPA further show that Respondent No.2, was very much aware that the Respondent No.1 is going to promote the transfared plots under the project-name as “Silpa Suvarna Sampada-2” and to set out development activities in furtherance of that launch.

47. The duty of disclosure under Section 4 of RE(R&D) Act and the duty in relation to advertisement and prospectus under Section 11(2) are material to the present controversy. Section 11(2) requires that any advertisement or prospectus issued by a promoter shall prominently mention prescribed particulars (including the web-address of the Authority and details of the registered project). These obligations are not cosmetic: they are enacted to ensure that an intending purchaser has contemporaneous access to the authoritative record of approvals, layouts and other particulars. The evidence before this Authority indicates that the public was led to believe that the project (as shown in RERA registration and HMDA approvals) was being executed by the registrant (Respondent No.2) whereas in reality significant parts of the project were marketed and sold by Respondent No.1 under a different project-name. Such dual presentation, without transparent disclosure of the respective roles and the extent of transfer, constitutes a misrepresentation which undermines the intent of Sections 4 and 11(2).

48. The statutory scheme further contemplates that the promoter must perform the development works in accordance with the sanctioned plan and within time. The Act creates a protective canopy for the purchaser the promoter cannot, by private arrangement, shift the burden of meeting statutory obligations onto purchasers or on third parties without making such arrangements transparently known at the time of registration and in the public records. Where, as here, Respondent No.2 represented the project to the public registry as a single project but, prior to registration, had created separate arrangements entitling Respondent No.1 to market and sell a significant part of the land under a different brand, the public interest in transparent disclosure has suffered.

49. For the foregoing reasons, and having regard to the Explanation to Section 2(zk) of RE(R&D) Act, the Authority holds that prima facie both Respondents are liable as "promoters" in respect of the plots sold to the complainant/allottees. The liability of the Respondents for compliance with the obligations of a promoter under the RE(R&D) Act is, therefore, to be

treated as joint and several insofar as the functions performed by each are concerned. It follows that Respondent No.1 cannot disclaim liability by calling itself merely an "agent" or a "victim" of Respondent No.2 and Respondent No.2 cannot, by reason of having registered the project, absolve itself from all responsibilities pertaining to plots which it had transferred in the manner shown in the documents on record.

50. The Authority notes that the respondent's submissions appear to suggest two competing contentions: on the one hand that Respondent No.1 had exclusive operational control of the transferred plots and on the other that Respondent No.2 remains the promoter for the entire registered project. Both contentions cannot be reconciled so as to defeat the protective purpose of the RE(R&D) Act. The statutory scheme and judicial precedent (which emphasise substance over form) require that a purchaser's reasonable expectation of transparency and performance must be protected.

51. With regard to the specifications promised by Respondent No.1 to the complainant, the Authority reiterates that any agreement for sale or sale-deed executed by Respondent No.1 is binding upon it under Section 11(4) of the RE(R&D) Act. The promoter who enters into an agreement of sale to sell plots is legally obliged to ensure that the specifications promised in the said agreement are adhered to.

52. Therefore, both the promoters Respondent No.1 and Respondent No.2 shall be jointly and severally liable to complete the project strictly in accordance with the approved and sanctioned plan obtained from the competent authority. Respondent No.1 shall ensure that all specifications, facilities promised under the registered Agreement for Sale with the Complainant are duly provided within the stipulated time frame.

53. Respondent No.2, having participated in the sale and promotion process, cannot escape from corresponding liability under the RE(R&D) Act. He shall cooperate fully in the completion process and ensure compliance with the sanctioned plan and promised development works.

54. This Authority further notes that in Complaint No. 131 of 2024 and the connected batch of matters, the Respondents had already been held jointly and severally liable and subjected to penal action for similar violations arising out of the same project. Specifically, a penalty of

₹5,97,237/- (Rupees Five Lakhs Ninety-Seven Thousand Two Hundred and Thirty-Seven only) was imposed under Section 60 of the Real Estate (Regulation and Development) Act, 2016, for submission of false information in the Form B declaration before this Authority. In addition, a separate penalty of ₹5,97,237/- (Rupees Five Lakhs Ninety-Seven Thousand Two Hundred and Thirty-Seven only) was imposed under Section 61 of the said Act for contravention of Section 14(1) and Rule 14(1)(a)(iii), in view of the Respondents' failure to complete the project in accordance with the sanctioned layout and promised specifications.

55. However, in light of the recurrence of similar violations and the multiplicity of complaints received from several allottees pertaining to the same project, the Authority hereby directs the Secretary, Telangana RERA, to verify whether the previous directions issued by this Authority have been duly complied with. In the event of non-compliance, the Secretary shall take steps for initiation of appropriate penal proceedings under Section 63 of the Real Estate (Regulation and Development) Act, 2016, for failure to comply with the directions of this Authority.

56. The complainant's plea for forfeiture of mortgaged areas in favour of HMDA cannot be adjudicated upon without specific evidence. The Authority therefore refrains from entering into merits of this claim in absence of cogent documentary proof establishing the existence and terms of any mortgage and the complainant's locus to seek the relief.

57. The question of revocation of project-registration requires consideration of the statutory criteria and the temporal status of the registration. On the material before this Authority, the registration in question has lapsed on 30.06.2021. Where registration has already lapsed by operation of law, the remedy of revocation is inapplicable; however, the question whether any obligations survive and what relief the complainant may claim for non-performance shall be dealt with in the adjudicatory part of this order

58. The Authority deems it necessary to caution prospective allottees and homebuyers to exercise utmost due diligence before entering into any agreement with third-party developers or marketing entities. Buyers must verify the RERA registration details of the project on the official RERA website, ascertain whether the person assuring development or sale rights is the actual registered promoter, and examine all supporting approvals and title documents.

59. Allottees are further advised not to enter into agreements with entities where the RERA registration is in one name while the marketing, development, or sale assurances are being extended by another individual or company. Such arrangements often create ambiguity in accountability and can expose the buyer to avoidable risks.

60. In recent times, the Authority has also observed that several projects are being endorsed or publicized by public figures and celebrities. It is hereby cautioned that such endorsements are merely promotional and do not confer any legal authenticity or guarantee of the project's approval, legality, or delivery. Buyers are advised not to rely solely on advertisements or the face value of celebrity endorsements but to undertake a genuine due diligence exercise, verify RERA records, consult professionals, and ensure that all statutory requirements are satisfied before investing.

61. The Authority hereby strongly warns Respondent No.2 against entering into or executing any Memoranda of Understanding (MOUs), side agreements, or mutual understanding arrangements pertaining to the sale, promotion, or development of the project, without the knowledge and prior disclosure to this Authority and to the allottees. Any suppression of such activities or attempts to keep the Authority and the allottees in the dark constitutes a serious breach of the transparency obligations enshrined under the provisions of the Real Estate (Regulation and Development) Act, 2016.

62. If such conduct is found to be repeated or continued in any manner, the Authority shall not hesitate to declare both the Respondents as defaulters.

63. Further, the Authority issues a general advisory to all promoters and developers operating within the State. It has come to the notice of the Authority that a disturbing pattern is emerging where several entities, under the guise of "MOU", "marketing collaboration", or "investment Agreement", or "Agreement of sale cum General Power of Attorney" engage in unregistered promotional and sale activities, while keeping the registered promoter as a mere façade. Such practices strike at the core objectives of the RE(R&D) Act transparency, accountability, and protection of allottees' interests.

64. Henceforth, any promoter, marketing entity, or collaborator found indulging in these practices shall face stringent regulatory action. The Authority reiterates that every person who

engages in the sale, advertisement, or promotion of a RERA-registered project assumes the status and corresponding liabilities of a promoter under law.

G. Direction by the Authority:

65. In light of the foregoing discussion and findings, the Authority, in exercise of its powers under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, hereby issues the following directions:

- I. Respondent Nos. 1 and 2 are hereby directed to jointly complete the development of the entire project strictly in accordance with the sanctioned plan obtained from the competent authority, within sixty (60) days from the date of this Order.
- II. Respondent No. 1 shall ensure to develop and complete the layout with all infrastructure promised under the registered Agreement for Sale are duly adhered to and made available to the Complainant within forty-five (45) days from the date of this Order.
- III. In continuation of the earlier penal actions taken in Complaint No. 131 of 2024 and connected matters, wherein penalties of ₹5,97,237/- each were imposed under Sections 60 and 61 of the Real Estate (Regulation and Development) Act, 2016, for submission of false information and for failure to complete the project as per sanctioned specifications, the Authority notes that several repetitive complaints continue to arise from the same project. Accordingly, the Secretary, Telangana RERA, is hereby directed to verify compliance with the previous directions issued by this Authority in the aforesaid matters. In the event of non-compliance, the Secretary shall take steps for initiation of penal proceedings under Section 63 of the Real Estate (Regulation and Development) Act, 2016, for willful failure to comply with the orders of this Authority.
- IV. The Authority hereby issues a stern warning to Respondent No. 2 for entering into undisclosed Memorandums of Understanding (MOUs) and mutual arrangements with third parties while suppressing material facts from this Authority and from allottees. Such conduct strikes at the very heart of the transparency regime envisaged under the Real Estate (Regulation and Development) Act, 2016.
- V. The Authority further extends this cautionary directive to all promoters operating within the State of Telangana. The Authority observes with concern a growing trend wherein promoters, after obtaining registration, clandestinely enter into side arrangements or

MOUs with third-party developers or marketers, thereby misleading allottees and circumventing statutory obligations. Such conduct erodes public confidence and will be viewed with utmost seriousness. Promoters are therefore cautioned that any such suppression or bifurcation of projects, or marketing under alternative names without disclosure and approval, shall invite strict penal consequences.

- VI. The Authority also deems it appropriate to issue a public advisory to all allottees and prospective purchasers. Allottees are strongly advised to exercise due diligence prior to entering into any agreement for sale, especially in cases where the RERA registration stands in the name of one entity while the marketing, development, or sale is undertaken by another. Blind reliance on advertisements, promotional campaigns, or endorsements by public figures or celebrities does not absolve purchasers from the responsibility of verifying the authenticity of the project. Buyers are urged to check project details on the official RERA website, examine title documents, and seek professional legal advice before investing.

- VII. In light of the above directions, the present complaint is 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

Sd/-
Dr. N. Satyanarayana, IAS (Retd.),
Hon'ble Chairperson,
TG RERA