

BEFORE THE TELANGANA ESTATE REGULATORY AUTHORITY

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

13th of March 2026

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

Complaint No: 302/2025

Kopparapu Uma Maheshwar

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpari Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondent

Complaint No: 303/2025

Ganta Shankar Rao

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpari Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondent

Complaint No: 304/2025

Kurmi Kavitha

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpari Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 305/2025

A. Upender

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpari Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 306/2025

P. Sushanth Rao

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 307/2025

G. Shiva Kumar

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 308/2025

Chandravamsam Uday

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 309/2025

Nellutla Mallesh

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

...Respondents

Complaint No: 310/2025

Tatineni Pratap

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 311/2025

Jayavarapu Venkatesh

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 312/2025

Yegireddi Srinivasa Rao

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 313/2025

Gujjari Uma

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

...Respondents

Complaint No: 314/2025

Pasupuleti Siva Prasad

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondent

Complaint No: 315/2025

Medikonda Nagarjun

...Complainant

Medikonda Naga Lakshmi

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 316/2025

Ch. Rajeev

Kasi Sudha Ratna

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 317/2025

B. Dharmaveer

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 318/2025

Aiti Radhika

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 319/2025

Banje Laxman

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 320/2025

K. Sateesh Kumar

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju

Sri Ashish Kumar Ahuja

Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 321/2025

V. Vijay Kiran

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*
(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 322/2025

Vaddey Satya Hari Prasad Rao

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*
(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 323/2025

S. Deepthi Rani

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*
(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 324/2025

S. Deepthi Rani

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*
(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 325/2025

S. Laxmi Prabhavathi

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd *project Bharathi's Lake View Apartments*

(rep by its Managing Partner Sri Mulparry Siva Rama Krishna)
Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 326/2025

Gaddam Srikanth

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments
(rep by its Managing Partner Sri Mulparry Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondent

Complaint No: 327/2025

Subhash Kumar

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments
(rep by its Managing Partner Sri Mulparry Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 328/2025

Deepak Kumar

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments
(rep by its Managing Partner Sri Mulparry Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 329/2025

Sanjay Kumar

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments
(rep by its Managing Partner Sri Mulparry Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 330/2025

Avyaktha .E

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)
Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 331/2025

Gajula Rajendhar

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 332/2025

Vuppala Vinoda

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 333/2025

Sujesh Kumar

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 334/2025

K. Ishwar Rao

K. Shanti

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpary Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 335/2025

PLN Swamy Naidu

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpariy Siva Rama Krishna)
Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 364/2025

Uma Maheshwari

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpariy Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 372/2025

Das Palash

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpariy Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

Complaint No: 373/2025

M Alpana

...Complainant

Versus

M/s Bharathi Builders Pvt Ltd project Bharathi's Lake View Apartments

(rep by its Managing Partner Sri Mulpariy Siva Rama Krishna)

Sri Sri DrupatiNagaraju
Sri Ashish Kumar Ahuja
Sri Sunil Kumar Ahuja

... Respondents

The present matter filed by the Complainant herein came up for final hearing on 07.01.2026 before this Authority in presence of Complainants represented through Learned Counsel Sri Drupad Sanghwan and the Respondent 1 & 2 rep by Counsel Sri M.Balasubramanyam & Respondent 3&4 by Counsel Sri G. Vamshikrishna. Upon pursuing the material on record and on hearing arguments of both the parties and having stood over for consideration till this day, the following order is passed:

ORDER

2. Considering the commonality of issues involved and upon a specific request made by the Complainants and there being no objection raised by the Respondents to such course of action, all the complaints have been clubbed together and are being adjudicated by way of a ***common order***.

3. The present set of complaints have been filed 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 (hereinafter referred to as “the TG RE(R&D) Rules”), seeking appropriate directions and reliefs against the Respondent in respect of the project in question.

A. The brief facts of the case:

4. The captioned Complainants have collectively submitted that they had purchased residential units in the project titled “Bharathi’s Lake View Apartments”, being developed by Bharathi Builders (hereinafter referred to as the “Promoter”), situated in Sy. No. 118/119, Kompally Village, Medchal Mandal, Medchal-Malkajgiri District, under a *pre-launch offer*. It is stated that over 380 allottees have been allegedly deceived by the Promoter.

5. The Complainants contend that they have paid substantial amounts towards the purchase consideration and have entered into Memoranda of Understanding (MoUs) with the Promoter. As per the said MoUs most of which were executed during the calendar year 2021, the Promoter undertook to complete the project within a period of 24 months, with an additional grace period of 6 months. However, it is submitted that till date, the Promoter has failed to even commence the project and has not obtained requisite statutory approvals or registration from the competent authorities.

6. It has further come to the attention of the Complainants that a significant portion of the project land has been sold to one Sri Sunil Kumar without disclosure to the existing allottees, indicating an element of fraudulent intent on the part of the Promoter.

7. Additionally, in February 2024, a partnership deed was executed between Mr. Ashish Kumar Ahuja and Mr. M. Sivarama Krishna for the purpose of carrying on the business of construction of residential apartments, commercial complexes, and development of layouts under the name and style of M/s Sree Bharathi Builders. Pursuant to the said partnership, an amount of Rs. 2,67,079/- was remitted to Telangana RERA in April 2024 for registration of the project.

8. Despite repeated follow-ups and assurances provided by Mr. M. Sivarama Krishna, who was acting as the representative of the Promoter entity, no construction activity has commenced at the site. It is also submitted that all the partners of the firm have since become incommunicado, and the office premises of the firm have been found to be vacated.

B. Relief(s) sought:

9. The Complainants prayed for Refund of the entire amount paid towards the purchase of units, along with interest thereon, as per applicable provisions of the Real Estate (Regulation and Development) Act, 2016.

C. Respondent 1 & 2 Reply:

10. At the very outset, the Respondents respectfully submit that the present Complaint is not maintainable either in law or on facts. It is devoid of jurisdiction, lacks any real or substantial cause of action, and is founded on vague, misconceived, and incorrect assertions. The Complainant has failed to demonstrate any enforceable legal right under the provisions of the Real Estate (Regulation and Development) Act, 2016, so as to invoke the jurisdiction of this Hon'ble Authority. Accordingly, the Complaint deserves to be dismissed at the threshold with exemplary costs.

11. The Complainant seeks to mischaracterize a purely investor-developer business arrangement as a Promoter Allottee relationship. This amounts to a gross abuse of process and is an attempt to misuse the provisions of RERA for commercial gains.

12. The Respondents specifically deny and dispute each and every allegation, contention and averment made in the Complaint, except those expressly admitted herein. All allegations are false, frivolous, and motivated, made with an ulterior motive to cover up the Complainant's own defaults under the Memorandum of Understanding ("MoU") and to cause damage and loss to the Respondents. The Complainant must be put to strict proof of all allegations.

13. The allegations made in Complaint Form "M" are styled as fraud and cheating purportedly committed

by the Respondents. Such allegations are criminal in nature and fall squarely within the ambit of the Indian Penal Code (IPC). This Hon'ble Authority, being a statutory and quasi-judicial forum constituted under the RE(R&D) Act, has no jurisdiction to try or adjudicate criminal allegations. As per the mandate of the said Act, this Authority is empowered only to regulate

and adjudicate disputes concerning obligations of Promoters vis-à-vis Allottees, and not to decide on criminal liability. Hence, the Complaint is wholly misconceived and liable to be dismissed for want of jurisdiction.

14. The Complainant is fully aware that under Section 31 read with Section 79 of the RE(R&D) Act, only disputes concerning statutory obligations of the Promoter can be adjudicated by this Hon'ble Authority. Issues of criminal breach, cheating, fraud, or MoU-based disputes fall outside the scope of this jurisdiction. The present Complaint therefore deserves dismissal in limine.

15. The Complainant admittedly entered into a Memorandum of Understanding (MoU) with the Respondents in the capacity of an Investor, and not as an Allottee. The MoU itself records the commercial intent of the parties, namely, contribution of investment towards land purchase and development, with a proposed share in the developed area, contingent upon execution of a Joint Development Agreement (JDA).

16. The definition of "Allottee" under Section 2(d) of the RE(R&D) Act requires either allotment, sale, or transfer of an apartment/plot/building under a concluded Agreement for Sale. In the present case, no such Agreement for Sale has been executed. Hence, the Complainant does not qualify as an Allottee, nor as an aggrieved person, and therefore lacks locus standi to invoke the jurisdiction of this Hon'ble Authority.

17. On the contrary, the Complainant, being an Investor under the MoU, falls within the extended definition of "Promoter" under the RE(R&D) Act, as he has a participatory role in development. Thus, he cannot simultaneously claim the benefit of being treated as an Allottee under the Act. Clause 2 of the MoU clearly records that the Complainant was to invest in land purchase and, upon execution of the JDA, receive a constructed unit in consideration. This evidences a commercial transaction between Developer and Investor, not a Promoter-Allottee arrangement.

18. Clause 4 of the MoU explicitly provides that the proposed flat (Block-E, 5th Floor, Flat No.510 – East) was contingent upon execution of the JDA and development of the project. It was not sold or allotted under a registered Agreement for Sale as per Section 13 of the RE(R&D) Act. Thus, no concluded or enforceable right of allotment arises in favour of the Complainant. Accordingly, the Complaint is premature, non-justiciable under RERA, and liable to be dismissed.

19. The Complainant knowingly entered into a pre-launch MoU with full awareness of the legal risks involved. RERA Authorities across the country have consistently cautioned against investment in pre-launch or unregistered projects. Despite this, the Complainant voluntarily assumed the risk by participating in a commercial investment transaction.

20. Having acted contrary to law, the Complainant cannot now invoke the equitable jurisdiction of this Authority. It is a settled principle that one who seeks equity must approach with clean hands. In *K.D. Sharma v. SAIL*, (2008) 12 SCC 481, the Hon'ble Supreme Court held that suppression of material facts disentitles a party from relief.

21. Here, the Complainant has suppressed the very nature of the MoU and misrepresented the transaction as an allotment under RERA. Such conduct is mala fide and disentitles him from any relief.

22. The dismissal of the present Complaint would cause no prejudice to the Complainant. If the Complainant genuinely believes that any criminal or civil wrong has been committed, he has adequate alternative remedies available before competent civil or criminal courts. Hence, the present Complaint is a misuse of RERA's forum and must be rejected.

23. In light of the foregoing submissions, the Respondents most respectfully pray that this Hon'ble Authority may be pleased to:

1. Dismiss the Complaint as not maintainable under the Real Estate (Regulation and Development) Act, 2016;
2. Hold that the Complainant does not qualify as an "Allottee" under Section 2(d) of the Act;
3. Reject the Complaint for want of jurisdiction, as the dispute arises out of a commercial investor-developer arrangement, not a real estate sale transaction;
4. Impose costs on the Complainant for abuse of process, suppression of facts, and misrepresentation; and
5. Pass such further or other orders as this Hon'ble Authority may deem fit and proper in the facts and circumstances of the case.

D. Respondent 3 & 4 Reply:

24. At the outset, it is submitted that the Complaint was filed against Respondents 3 & 4 is wholly misconceived, devoid of cause of action, and constitutes a clear case of misjoinder of

parties. The Complainant has neither pleaded nor produced any material to establish any contractual or legal nexus with Respondents 3 & 4.

25. Respondents 3 & 4 are bona fide purchasers and absolute owners of land admeasuring 31,788.50 sq. yards situated at Kompally, Medchal–Malkajgiri District, Telangana State, acquired lawfully under registered sale deeds dated 17.08.2023 and 29.02.2024. The title to these lands has validly vested with Respondents 3 & 4.

26. Respondents 3 & 4 have never entered into any agreement, MOU, or contractual arrangement with the Complainants. They have not solicited, collected, or received any monies from the Complainant or any alleged flat buyers. Thus, no liability, contractual or statutory, arises against them.

27. The grievance of the Complainants are purportedly based on an MOU allegedly executed by Respondents 1 & 2 on behalf of M/s Bharathi Builders. It is categorically denied that Respondents 3 & 4 were ever signatories, parties, or consenting witnesses to the said MOU.

28. Respondents 3 & 4 had no knowledge of the existence of such MOU until this complaint was filed. No document bears their signature, consent, or authorization in relation thereto.

29. In law, only parties to a contract are bound by its terms. Since Respondents 3 & 4 were never parties to the alleged MOU, they cannot be fastened with obligations or liabilities arising from it.

30. No consideration or payment was ever made to Respondents 3 & 4 by the Complainant or the alleged flat buyers. The Complainant has failed to produce any evidence financial transactions, receipts, communications, or otherwise linking them to Respondents 3 & 4.

31. The attempt to implicate Respondents 3 & 4 by referring to a Partnership Deed of “M/s Sree Bharathi Builders” is misleading. That deed, executed on 12.02.2024, pertained to a separate entity unconnected with the present project. At the relevant time (2020), when the alleged flat buyer payments were made, no such partnership existed between Respondents 3 & 4 and Respondents 1 & 2. The present project is carried out by M/s Bharathi Builders, a distinct and independent concern.

32. The allegation that Respondents 3 & 4 are involved in the alleged pre-launch sale of flats is false, fictitious, and fabricated. The Complainant is deliberately dragging them into this dispute to exert pressure and blackmail.

33. The inclusion of Respondents 3 & 4 in this litigation causes serious prejudice, reputational damage, and commercial hardship. They are bona fide land purchasers, whose property rights are being unnecessarily clouded by these false proceedings.

34. There is no violation of Sections 3 or 4 of the Real Estate (Regulation and Development) Act, 2016 attributable to Respondents 3 & 4. Any liability, if at all, lies exclusively with Respondents 1 & 2, who are the alleged signatories to the MOU.

35. Further, it is submitted that the Complaint discloses cash transactions exceeding Rs. 2,00,000/-, which are in violation of the Income Tax Act, 1961. In light of the judgment of the Hon'ble Supreme Court in Rbanms Educational Institution V. B. Gunashekar & Anr. (2025 INSC 490), such transactions require reporting to the concerned Income Tax Authorities. The Complainant and Respondents 1 & 2 must be subjected to investigation under the Income Tax law.

E. Rejoinder:

36. The Complainants submit that the Respondent's statement dated 26th August, wherein he expressly undertook to refund the actual amounts deposited by all allottees, constitutes a clear admission of his involvement in fraudulent and irregular activities. According to the Complainants, such an undertaking would not have been made unless the Respondent was aware

37. The Complainants further submit that the Hon'ble Supreme Court has recently reaffirmed that registration of a land document, by itself, does not confer legal ownership over the property unless supported by valid title. Therefore, the Respondents cannot rely on mere registration to assert rights that are otherwise legally untenable.

38. It is alleged that the Respondent has repeatedly made misleading commitments. After multiple representations from the allottees, Respondent No. 1 is stated to have agreed to a 50:50 development share between himself and the landowners. The Respondent even issued a letter confirming his willingness, formally signed; however, he subsequently denied and repudiated this commitment.

39. The complainants further state that, acting upon the directions and assurances of the Respondent, the Association of Allottees was duly registered, with the expectation that development would proceed accordingly. However, the Respondent has now refused to even engage in discussions regarding the commitments earlier made by him.

40. It is also alleged that although the Respondent (R1 & R2 collectively) received approximately Rs. 105 crore, only Rs. 53 crore has been paid or accounted for, indicating misappropriation and diversion of project funds.

41. In light of the above circumstances, the allottees submit that they are constrained to demand one of the following remedies:

1. Completion of construction within a stipulated timeframe, in accordance with the development obligations; or
2. Transfer of title and development rights to the Association of Allottees for self-development of the project; or
3. Refund of the actual amounts paid by allottees, along with interest at a minimum of 18% per annum,
4. in view of the substantial financial loss and hardship caused.

F. Points for consideration:

42. After hearing the submissions advanced by the learned counsel/parties on record, perusing the pleadings, documents, rejoinder and the detailed written arguments filed on behalf of the Complainant, this Authority is of the considered view that the following points arise for determination in the present Complaint:

1. *Whether the present Complaint is maintainable under Section 31 of the RE(R&D) Act and Whether the Complainant qualifies as an "Allottee" under Section 2(d) of the RE(R&D) Act, 2016?*
2. *Whether Respondent Nos. 1 to 4 are "Promoters" under Section 2(zk) of the RE(R&D) Act and whether they are jointly and severally liable?*
3. *Whether the Respondents have violated Sections 3 and 4 of the RE(R&D) Act?*
4. *Whether, in the facts and circumstances of the case, the Complainant is entitled to refund of the amounts paid along with interest under Section 18 of the RE(R&D) Act, 2016, and if so, against which of the Respondents?*

G. Observations of the Authority:

Point 1: *Whether the present Complaint is maintainable under Section 31 of the RE(R&D) Act, 2016 and whether the Complainant qualifies as an “Allottee” under Section 2(d) of the RE(R&D) Act?*

43. The Respondent Nos. 1 and 2 have raised a preliminary objection questioning the very maintainability of the present Complaint. It is their contention that the Complainant is not an “Allottee” within the meaning of Section 2(d) of the Real Estate (Regulation and Development) Act, 2016 but merely an investor who entered into a private Memorandum of Understanding. According to them, the absence of a registered Agreement for Sale disentitles the Complainant from invoking the jurisdiction of this Authority under Section 31 of the RE(R&D) Act.

44. The Complainant, on the other hand, submits that the nomenclature adopted by the Respondents is a deliberate device to evade statutory obligations. It is argued that the substance of the transaction and not the label must determine the legal character of the relationship. The Complainant relies upon the MoU, the payment receipts evidencing substantial consideration, the specific identification of the apartment, the promised timeline for delivery, and the conduct of the Respondents to contend that all essential elements of an allotment stood crystallized.

45. Before advertng to the factual matrix, it is necessary to examine the statutory framework. Section 31 of the Act confers a right upon “any aggrieved person” to file a complaint before the Authority for violation of the provisions of the RE(R&D) Act. The provision is intentionally broad and remedial in character, reflecting the allottee-protective object of the legislation. Therefore, once a person demonstrates that he falls within the statutory definition of an “allottee” or is otherwise aggrieved by a violation of the RE(R&D) Act, the jurisdiction of this Authority is attracted.

46. Section 2(d) of the RE(R&D) Act defines an “Allottee” as:

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

47. A plain reading of the definition makes it evident that the legislature has consciously employed broad expressions such as “allotted”, “sold”, or “otherwise transferred”. The inclusion of the phrase “otherwise transferred” indicates that the definition is not confined to a formally executed and registered Agreement for Sale. The statute does not mandate that only a registered sale agreement can create the status of an allottee. What is material is whether a specific unit in a real estate project has been earmarked and consideration accepted pursuant to the promoter’s representations.

48. Whereas on perusal of the Memorandum of Understanding placed on record and finds that the same is not a vague or speculative document as sought to be portrayed by the Respondents. The MoU clearly delineates the subject apartment by identifying its block, floor, orientation and the exact built-up area agreed to be delivered to the Complainant. The consideration is expressly quantified on a per square foot basis and is not left indeterminate. The document further records the obligation of the Respondent to provide specified amenities along with parking, and, significantly, stipulates a definite timeline for completion of construction and delivery of possession, including a grace period. Such terms are not incidental or ancillary in nature but constitute the essential attributes of an allotment in a real estate project. The MoU, when read as a whole and in conjunction with the admitted conduct of the Respondents in receiving substantial consideration, leaves no manner of doubt that the transaction was in substance an allotment of a residential unit and not a mere financial investment.

49. The Respondents’ argument that the absence of a registered Agreement for Sale ousts jurisdiction cannot be accepted. If such an interpretation were to be adopted, it would enable promoters to circumvent the RE(R&D)Act by deliberately postponing execution of formal agreements, even after collecting substantial sums and earmarking units. The RE(R&D) Act, being a beneficial and regulatory legislation, cannot be interpreted in a manner that defeats its very purpose.

50. It is a settled principle of law that the substance of a transaction prevails over its form. Merely describing a transaction as an “investment” does not alter its intrinsic character if the factual ingredients of an allotment are otherwise satisfied. The documentary record and admitted conduct of the Respondents demonstrate that a specific residential unit was promised for delivery within a stipulated timeframe against identified consideration. Such a transaction squarely falls within the ambit of Section 2(d).

51. This Authority is also mindful that the RE(R&D) Act was enacted to bring transparency, discipline, and accountability into the real estate sector. To exclude a purchaser merely because the promoter avoided executing a registered agreement would render the statutory safeguards illusory. The legislative intent was to protect persons who part with their hard-earned money on the faith of a promoter's representations not to allow promoters to escape liability by strategic drafting.

52. Accordingly, upon a comprehensive consideration of the pleadings, documents placed on record, and the statutory framework of the Real Estate (Regulation and Development) Act, 2016, this Authority is of the considered view that the Complainants squarely satisfy the definition of an "Allottee" within the meaning of Section 2(d) of the RE(R&D) Act. Consequently, the present Complaints, having been instituted under Section 31 alleging violations of statutory obligations by the Respondents in respect of the subject real estate project, are fully maintainable before this Authority. The preliminary objection raised by the Respondents challenging the locus and maintainability of the Complaints is devoid of substance, untenable in law, and is accordingly rejected.

Point 2: Whether Respondent Nos. 1 to 4 are "Promoters" under Section 2(zk) of the RE(R&D) Act and whether they are jointly and severally liable?

53. Respondent Nos. 3 and 4 have sought to distance themselves from the subject project by contending that they are merely subsequent purchasers of land and that there exists no privity of contract between them and the Complainant. It is their case that the Complainant's transaction was exclusively with Respondent Nos. 1 and 2 and, therefore, any liability, if at all, cannot be extended to them.

54. The core issue that arises for determination is whether the absence of a direct Agreement for Sale between the Complainant and Respondent Nos. 3 and 4 absolves them of liability under the Real Estate (Regulation and Development) Act, 2016.

55. At the outset, this Authority observes that the RE(R&D) Act is not founded upon the narrow doctrine of privity of contract as understood under traditional civil jurisprudence. The RE(R&D) Act creates statutory obligations which operate independent of private contractual arrangements. The liability of a "promoter" under RE(R&D) flows not merely from contractual execution but from participation in development, control over the project, share of saleable area, receipt or utilisation of allottee funds, and benefit derived from the project scheme.

56. Section 2(zk) of the RE(R&D) Act defines “promoter” in expansive and inclusive terms.

The definition:

“promoter” means,—

(i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees; or

(ii) a person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project, whether with or without structures thereon; or

(iii) any development authority or any other public body in respect of allottees of—

(a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the Government; or

(b) plots owned by such authority or body or placed at their disposal by the Government, for the purpose of selling all or some of the apartments or plots; or

(iv) an apex State level co-operative housing finance society and a primary co-operative housing society which constructs apartments or buildings for its Members or in respect of the allottees of such apartments or buildings; or

(v) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale; or

(vi) such other person who constructs any building or apartment for sale to the general public.

Explanation.—For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the person who sells apartments or plots are different person, both of them shall be deemed to be the promoters and shall be jointly liable as such for the functions and responsibilities specified, under this Act or the rules and regulations made thereunder;

57. The legislature, while enacting Section 2(zk) of the RE(R&D) Act, has consciously adopted an expansive and inclusive definition of the term “promoter”. The statutory framework clearly reflects the legislative intent that liability in respect of a real estate project should not be fragmented or diluted through layered corporate arrangements, internal agreements, or subsequent transfers of project assets. The RE(R&D) Act therefore casts responsibility upon all

persons who participate in the development, control, management, or commercial exploitation of a real estate project.

58. Upon careful examination of the material placed on record, this Authority observes that Respondent No.1, along with its representatives Sri Sivarama Krishna and Sri D. Naga Raju, admittedly collected substantial monies from several allottees under a pre-launch scheme. As per the undertaking placed on record, it is evident that due to shortage of funds required for acquisition of the project land, Respondent No.1 approached Respondent Nos.3 and 4 and their associated entities for financial assistance. Respondent Nos.3 and 4 agreed to extend short-term financial support to Respondent No.1. It further emerges that using the said funds, the project land was acquired and thereafter subjected to multiple Agreements of Sale-cum-General Power of Attorney (AGPA) transactions in favour of Respondent No.3 and entities controlled by Respondent Nos.3 and 4. Pursuant to such AGPAs, several registered sale deeds were subsequently executed, resulting in the transfer of nearly five acres out of the total project extent to Respondent Nos.3 and 4 and their associated entities.

58. It is further evident from the record that on 12.02.2024, Respondent No.1's representatives, namely Sri Sivarama Krishna and Sri D. Naga Raju, together with Sri Ashish Ahuja, constituted a partnership firm styled "M/s Sree Bharati Builders" specifically for the purpose of developing and completing the very same project. The Partnership Deed stipulates that Respondent Nos. D. Naga Raju and M. Sivarama Krishna shall be responsible for undertaking the construction of the project, preparation of plans, obtaining permissions from statutory authorities, engaging contractors, executing work contracts, and dealing with marketing teams and customers until completion of the project. Further, Clause 10 of the said Partnership Deed authorises Respondent No.4 to undertake registrations of flats on behalf of the firm and designates him as the Managing Partner of the said entity. The records further disclose that substantial statutory fees payable to HMDA, amounting to approximately Rs. 5.31 Crores, were paid through the bank accounts of the said partnership firm, namely M/s Sree Bharati Builders, in relation to the concerned project. In addition, Respondent No.3 personally executed a Term Sheet dated 05.10.2024 undertaking obligations relating to the completion of the project. A Declaration dated 03.09.2025 issued by Respondent Nos.1 and 2 also acknowledges that statutory fees were paid through the accounts of the joint entity and that the development activities were intended to be undertaken collectively.

60. The above facts clearly demonstrate that the involvement of Respondent Nos.3 and 4 in the project cannot be characterised as incidental or remote. On the contrary, the documentary material establishes their continuous, integrated, and participatory engagement in the financial,

legal, and developmental framework of the project. Respondent No.4, being the Managing Partner of the firm and having participated in the internal arrangements governing the development of the project, cannot now disclaim liability by asserting that they have no connection with the allottees.

60. In light of the above, the plea advanced by Respondent Nos.3 and 4 that there exists no privity of contract between them and the Complainants cannot be accepted. The statutory scheme of the RE(R&D) Act itself contemplates situations where development, land ownership, and sale functions may be distributed among different entities. In such circumstances, the Explanation appended to Section 2(zk) expressly provides that where the person who develops the project and the person who sells apartments or plots are different, both shall be deemed to be promoters and shall be jointly liable for compliance with the obligations under the RE(R&D) Act. Therefore, direct contractual privity with each individual allottee is not a pre-condition for fastening promoter liability under the RE(R&D) Act.

61. This Authority further observes that constructive privity and statutory nexus arise where allottee funds are utilised for acquisition of project land and such land is subsequently transferred to entities that participate in the development or derive commercial benefit from the project. The record clearly indicates that Respondent Nos.3 and 4 voluntarily stepped into the project framework by accepting transfer of project land, participating in the formation of a joint development entity, contributing towards statutory approval charges, and issuing assurances to the allottees regarding completion of the project. Such acts cannot be attributed to passive purchasers of land. They are acts of persons who have assumed effective control, participation, and have a control over the development and execution of a real estate project intended for sale to allottees.

62. This Authority cannot ignore the broader legislative purpose underlying the enactment of the RE(R&D) Act. The statute was introduced to restore confidence in the real estate sector by ensuring transparency, accountability, and protection of homebuyers. If entities who receive project land, participate in regulatory compliances, enter development arrangements, and assure completion of a project are permitted to evade statutory responsibility by merely pleading absence of contractual privity, the very protective framework of the RE(R&D) Act would stand defeated.

63. The contention of Respondent Nos.3 and 4 that they are merely “bona fide purchasers” of land is therefore inconsistent with the documentary record placed before this Authority. Their involvement is not confined to purchase of land, rather, it extends to participation in

development decisions, financial contributions towards statutory approvals, formation of a joint development entity, and issuance of assurances concerning completion of the project.

64. In view of the above analysis, this Authority holds that Respondent Nos.1 to 4 squarely fall within the meaning of “Promoter” under Section 2(zk) of the RE(R&D) Act. Respondent Nos.1 to 4 are jointly and severally liable for compliance with the obligations arising under the RE(R&D) Act.

Point 3: *Whether the Respondents have violated Sections 3 and 4 of the RE(R&D) Act?*

65. This Authority notes that, in Suo Motu Case No. D/205/2025, detailed and reasoned findings have already been recorded in respect of the very same project, holding the Respondents to be in violation of the mandatory provisions of Sections 3 and 4 of the Real Estate (Regulation and Development) Act, 2016. In the said proceedings, it was conclusively established that the Respondents had collected monies from prospective allottees under an unregistered pre-launch scheme and had thereafter alienated substantial portions of the project land, thereby rendering completion of the project impossible. Taking into consideration the gravity of the violations and the continuing nature thereof, this Authority has already imposed a penalty of Rs. 1,18,54,432/- (Rupees One Crore, Eighteen Lakhs, fifty-four Thousand and four hundred thirty-two only) under Section 59 of the RE(R&D) Act, 2016 and prohibited from marketing, selling, inviting persons of the concerned project. In view of the fact that the statutory violations and the penal consequences flowing therefrom have already been adjudicated upon and addressed in the aforesaid suo motu proceedings.

Point 4: *Whether, in the facts and circumstances of the case, the Complainant is entitled to refund of the amounts paid along with interest under Section 18 of the RE(R&D) Act, 2016, and if so, against which of the Respondents?*

66. Having carefully considered the pleadings of the parties, the documentary material placed on record, the submissions advanced during the course of the proceedings, and the findings recorded by this Authority while dealing with the preceding points, this Authority now proceeds to examine the entitlement of the Complainants to seek refund of the amounts paid under Section 18 of the Real Estate (Regulation and Development) Act, 2016..

67. Section 18 of the RE(R&D) Act embodies one of the most significant consumer-protective provisions introduced by the legislature to safeguard the interests of homebuyers. The provision creates a substantive statutory right in favour of an allottee to seek refund of the amounts paid, along with interest, where the promoter fails to complete the project or is unable to hand over possession of the apartment in accordance with the terms of the agreement or within the stipulated time. The legislative intent underlying this provision is clear a homebuyer

who has parted with his hard-earned money cannot be compelled to remain indefinitely bound to a project which the promoter has failed to complete.

68. The right conferred under Section 18 is not dependent upon the discretion of the Authority but flows as a statutory consequence once the failure of the promoter is established. The scheme of the RE(R&D) Act recognises that an allottee invests in a real estate project with legitimate expectations of timely completion and delivery of possession. Where such expectations are defeated due to the acts or omissions of the promoter, the law grants the allottee the option either to continue in the project or to withdraw and seek refund with interest.

69. In the present case, the material available on record clearly demonstrates that the Respondents had undertaken to develop the project and deliver the promised unit within a period of 24 months with an additional grace period of 6 months. It is not disputed that the said period has long since expired. Despite the lapse of the committed timeline, no construction of the promised residential project has been completed and possession has not been offered to the Complainants.

70. The internal transactions have resulted in fragmentation of the project land and have fundamentally altered the project structure that was originally represented to the allottees. The consequence of such actions is that the very foundation upon which the project was proposed to be developed has been eroded. Further no respondents have submitted that they are willing to complete the project or they willing to even initiate the construction and handover of the project, which shows their intention regarding the completion the project.

71. This Authority therefore finds that the present case cannot be characterized as one involving a mere delay in completion of construction. On the contrary, the material placed on record reveals a situation where the conduct and actions of the Respondents have created circumstances that have rendered the very execution and completion of the project uncertain and practically unworkable. The subsequent conduct of the Respondents towards the allottees further demonstrates a pattern of continued assurances and representations without any corresponding progress at the project site. The allottees have effectively been left in a state of prolonged uncertainty, despite repeated promises made by the Respondents, while no tangible development activity has been carried out.

72. In such circumstances, this Authority is of the considered view that it would be wholly unjust and inequitable to compel the Complainants to remain indefinitely bound to the project or to await speculative outcomes contingent upon the internal disputes, arrangements, or future understandings between the Respondents. The regulatory framework under the Real Estate (Regulation and Development) Act, 2016 is intended to protect the interests of homebuyers and

to ensure certainty and accountability in project execution, and the allottees cannot be made to suffer the consequences of disputes or failures attributable to the promoters.

73. The Respondents have sought to resist the claim for refund by contending that the transaction between the parties was in the nature of an investment and that no registered Agreement for Sale had been executed. This Authority has already examined and rejected such contentions while deciding Point No. 1, holding that the Complainant squarely falls within the definition of an “Allottee” under Section 2(d) of the RE(R&D) Act. Once the status of the Complainant as an allottee is established, the statutory protection under Section 18 stands attracted, irrespective of the nomenclature adopted by the promoter or the form in which the transaction was documented.

74. It is also a settled principle that a promoter cannot defeat the rights of an allottee by relying upon its own failure to comply with statutory obligations. The absence of a registered Agreement for Sale or the non-registration of the project cannot be used as a shield by the promoter to deny relief. Accepting such an argument would permit promoters to evade liability by deliberately avoiding statutory compliance, which would run contrary to the very object and purpose of the RE(R&D) Act.

75. In the facts of the present case, this Authority finds that the Respondents have not only failed to honour the committed timeline for completion of the project but have also undertaken transactions relating to the project land which have seriously undermined the feasibility of the project itself due to their internal arrangements and issues. The conduct of the Respondents has thus frustrated the legitimate expectations of the allottees who had invested their hard earned monies in the project with the hope of securing a residential unit.

76. In view of the foregoing discussion, this Authority is of the considered opinion that the Complainants cannot be compelled to continue in a project whose completion has become uncertain due to the acts and omissions of the Respondents. The Complainants have therefore validly exercised the option to withdraw from the project and is entitled to refund of the entire amount paid together with interest at the rate prescribed under Rule 15 of TG RE(R&D) Rules, 2017.

77. Having already held under Point No. 2 that Respondent Nos. 1 to 4 fall within the definition of “Promoter” and are jointly involved in the development framework of the project, the liability arising under Section 18 must necessarily be borne by them jointly and severally, so as to ensure effective enforcement of the statutory rights of the allottee.

Accordingly, the point 4 is answered accordingly.

78. This Authority cannot remain oblivious to the gross and systematic violations committed by the Promoter, M/s Bharathi Builders Pvt Ltd, which strike at the very foundation of the regulatory framework established under the Real Estate (Regulation and Development) Act, 2016.

79. The material placed on record clearly establishes that the said Promoter, without obtaining registration of the project under Section 3 of the RE(R&D) Act and without securing any sanctioned layout or building permission from the competent planning authority, proceeded to market and offer units to the public under the guise of “pre-launch offers.” Between 23.09.2020 and 29.01.2021, the Promoter admittedly collected an amount of approximately Rs. 18.17 Crores from 181 customers in relation to the proposed project styled “Bharathi Lake View Towers.” Such collections were made despite the fact that the project was neither registered with this Authority nor supported by statutory approvals required for commencement of development.

80. The violations do not end there. The record further reveals that the Promoter similarly advertised, marketed, and entered into pre-launch arrangements with an additional 31 customers in respect of another proposed project styled “Bharathi Green Empire Towers,” proposed over an extent of 33,811 square yards situated at Bhanur Village, Patancheru Mandal. It is an admitted position that neither of this project was ever registered with this Authority, nor an application for the concerned project under Section 4 of the RE(R&D) Act was ever made.

81. The conduct of the Promoter thus constitutes a clear and direct violation of Section 3 of the RE(R&D) Act, which unequivocally mandates that no promoter shall advertise, market, book, sell or offer for sale any plot, apartment, or building in any real estate project without registering the project with the Authority. The prohibition under Section 3 is absolute and is intended to prevent precisely the type of unregulated pre-launch fund collection that has occurred in the present case.

82. Further, by collecting monies beyond 10% from allottees without executing registered Agreements for Sale in accordance with the statutory format, the Promoter has also violated Section 13 of the RE(R&D) Act, which restricts the promoter from accepting more than ten percent of the cost of the apartment or plot without entering into a written and registered Agreement for Sale.

83. The conduct of the Promoter also falls foul of Section 11 of the RE(R&D) Act, which casts a statutory obligation upon the promoter to discharge all responsibilities, obligations, and functions in accordance with the provisions of the RE(R&D) Act and the representations made to the allottees. Section 11 mandates that the promoter shall be responsible for all commitments

made to the allottees in respect of the project and shall ensure compliance with all statutory requirements governing the development and execution of the project. The material placed on record reveals that the Promoter, despite having entered into numerous MOUs and arrangements with the purchasers in respect of the proposed units, proceeded to mortgage the entire project land in favour of financial institutions for raising additional funds. Such action is in direct violation of Section 11(4)(h) of the RE(R&D) Act, which expressly provides that once a promoter executes an Agreement for Sale in respect of any apartment, plot, or building, the promoter shall not mortgage or create a charge on such apartment, plot, or building. The provision further clarifies that even where such mortgage or charge is created, it shall not affect the rights and interests of the allottee who has taken or agreed to take such apartment or plot. In the present case, the Promoter, despite having entered into multiple MOUs with purchasers and having collected substantial funds from them, proceeded to mortgage the entire project land for securing additional financial arrangements. Such conduct has directly jeopardised the rights and interests of the allottees, as the land forming the very substratum of the project has been encumbered, thereby placing the purchasers at significant financial and legal risk. This Authority therefore finds that the actions of the Promoter demonstrate complete disregard for the statutory obligations imposed under Section 11 of the RE(R&D) Act and reflect a pattern of conduct whereby funds were collected from the public without securing the project under the regulatory safeguards mandated by law, while simultaneously subjecting the project land to financial encumbrances.

84. The undertaking dated 03.09.2025, submitted by Respondent No.1, itself acknowledges that numerous pre-launch transactions were entered into and that substantial funds were collected from purchasers. Despite collection of these amounts, the Promoter has failed to demonstrate that the funds were utilised for the legitimate development of the projects or that any meaningful progress in construction or development has been initiated even after the lapse of several years.

85. Further, the record indicates that the lands in question were subjected to mortgages, internal financial arrangements, and transfers among associated entities, thereby placing the interests of the allottees at substantial risk. As a consequence, hundreds of purchasers who parted with their savings in anticipation of a residential unit have been left in a state of prolonged uncertainty for more than five years, with neither delivery of the promised units nor refund of their invested amounts.

86. In the present case, the material placed on record clearly demonstrates that M/s Bharathi Builders Pvt Ltd, after collecting substantial monies from numerous purchasers through

Memorandums of Understanding (MOUs), repeatedly assured the allottees that the project would be brought under the regulatory framework of the RE(R&D) Act by obtaining registration from this Authority.

87. However, contrary to such assurances, the firm M/s Shree Bharathi Builders Pvt Ltd, wherein the partners of M/s Bharathi Builders are also partners, was subsequently constituted for the purpose of developing the concerned project. The said firm merely submitted an application for project registration before this Authority by paying the application fee under Application No. REA02200083098 dated 01.04.2024 in respect of the project “Bharathi’s Lake View Towers.” The record further reveals that despite submission of the said application, the Promoter failed to comply with the statutory shortfalls communicated by the Authority and did not pursue the registration application. Consequently, the project continued to remain unregistered, while all the Respondents herein simultaneously continued to assure the allottees that the project would be completed in due course. Such conduct clearly reflects a deliberate attempt to create an impression of regulatory compliance before the allottees, while in reality failing to fulfil the mandatory statutory requirements prescribed under the RE(R&D) Act.

88. The present case vividly demonstrates the very mischief which the Real Estate (Regulation and Development) Act, 2016 sought to remedy. The Preamble of the RE(R&D) Act clearly declares that the legislation was enacted “to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure transparency in the sale of plot, apartment or building and to protect the interest of consumers in the real estate sector.”

89. The practice of collecting funds through pre-launch schemes without approvals or registration was one of the principal concerns that led to the enactment of the RE(R&D) Act. Such practices place homebuyers in a position of severe vulnerability, as they are compelled to invest in projects that lack regulatory oversight, financial safeguards, or statutory disclosures.

90. In the present case, the scale of the violation is particularly alarming. The material placed before this Authority indicates allegations that more than 400 purchasers across multiple projects were induced to invest in pre-launch schemes, without the projects ever being registered or brought within the regulatory framework of the RE(R&D) Act. The attempt made by the Respondents to subsequently characterise such purchasers as “investors” rather than “allottees” is wholly unacceptable and contrary to the protective spirit of the statute.

91. Such conduct demonstrates a deliberate attempt to circumvent the statutory safeguards created under the RE(R&D) Act, thereby undermining the confidence of the public in the real estate sector.

92. The conduct of Respondent No.1 and its responsible partners therefore cannot be treated as a mere technical or procedural lapse. The violations are systemic, prolonged, and deliberate, involving unauthorised marketing, illegal collection of funds, misrepresentation to purchasers, and failure to initiate development even after collecting substantial monies from the public.

93. This Authority notes that the initial pre-launch transactions and collection of monies from allottees were undertaken by Respondent No.1 – M/s Bharathi Builders Pvt Ltd. Subsequently, the partners of the said entity along with the Respondent no.3 constituted another firm styled M/s Sree Bharathi Builders for the purpose of development of the very same project and even proceeded to submit an application for RERA registration before this Authority. In view of the commonality of partners, continuity of the project scheme, and the role played by both entities in marketing, financial arrangements and development of the project, this Authority holds that both entities fall within the definition of “Promoter” under Section 2(zk) of the RE(R&D) Act and are jointly and severally responsible for the obligations arising under the RE(R&D) Act.

94. Allowing such promoters to continue operating in the real estate sector without regulatory consequences would defeat the very object and purpose of the RE(R&D) Act and would seriously endanger the interests of homebuyers.

95. In view of the Admission of Respondent no.1 in its undertaking, this Authority holds that Respondent No.1 – M/s Bharathi Builders Pvt Ltd has committed serious violations of the provisions of the Real Estate (Regulation and Development) Act, 2016 and that the Respondent no.1 has contravened Section 3 of the RE(R&D) Act in respect of the project “Bharathi Green Empire Towers” by marketing the project, entering into arrangements with prospective purchasers, and collecting monies from allottees without obtaining mandatory registration of the project with this Authority, as required under the RE(R&D) Act. Such conduct strikes at the very foundation of the regulatory framework envisaged under the RE(R&D) Act, 2016. Accordingly, the Secretary, Telangana Real Estate Regulatory Authority, is hereby directed to take steps to initiate appropriate suo motu proceedings in accordance with law in respect of the said project against Respondent no.1 – M/s Bharathi Builders Pvt Ltd.

96. Further, in respect of the project “Bharathi’s Lake View Towers,” Respondent No.1 has committed violations of Sections 4, 11 and 13 of the RE(R&D) Act, by failing to comply with the statutory disclosure requirements mandated under the RE(R&D) Act, by failing to discharge the obligations and responsibilities cast upon a promoter after collecting monies from purchasers, and by accepting funds from allottees without executing Agreements for Sale in the manner prescribed under the provisions of the RE(R&D) Act.

97. The material on record further indicates that the partners of Respondent No.1 subsequently constituted another firm styled M/s Sree Bharathi Builders along with the Respondent 3 for the purpose of development of the very same project and even proceeded to submit an application for project registration before this Authority. The formation of the said firm and the acts undertaken through it clearly demonstrate the continued involvement of the partners of Respondent No.1 in the execution and development of the project.

98. Accordingly, this Authority holds that Respondent No.1, acting through its partners and associated entities, has failed to comply with the statutory obligations cast upon a promoter under the RE(R&D) Act. Respondent No.1 is therefore declared a “Defaulter Promoter” under the RE(R&D) Act.

99. Considering the gravity and magnitude of the violations and the large number of affected allottees, this Authority finds it appropriate to invoke the penal provisions under Section 61 of the RE(R&D) Act, and accordingly imposes a penalty of Rs.3,55,63,297/- (Rupees Three Crore Fifty five lakhs sixty three thousand two hundred and ninety seven only) upon Respondent No.1 and its responsible partners, who were actively involved in the affairs of the project.

100. It is further clarified that in Suo Motu Case No. D/205/2025, this Authority had already imposed a penalty of Rs. 1,18,54,432/- (Rupees One Crore Eighteen Lakhs Fifty-Four Thousand Four Hundred Thirty-Two only) upon the Respondent under Section 59 of the RE(R&D) Act for violation of Section 3 in respect of the project “Bharathi’s Lake View Towers.”

101. The penalty imposed in the present proceedings is for violations of Sections 4, 11 and 13 of the RE(R&D) Act in respect of the project “Bharathi’s Lake View Towers,” which were not the subject matter of penalty in the earlier Suo Motu proceedings. Accordingly, the penalties imposed herein shall not be construed as duplication of the penalty already imposed in Suo Motu Case No. D/205/2025, but shall operate as distinct statutory consequences arising from separate violations established in the present proceedings.

102. Before parting with this matter, this Authority deems it necessary to caution members of the public and prospective homebuyers that pre-launch offers or schemes in unregistered projects are illegal under the RE(R&D) Act and by participating in such schemes, purchasers expose themselves to significant risks and lose the statutory safeguards available under the RE(R&D) Act, including regulatory oversight by the Authority, planning and development regulatory control through the requirement of mortgaging 10% of the project area with the planning authority, financial safeguards through mandatory deposits into the designated escrow

account of a RERA-registered project, and enforcement of statutory obligations upon the promoter. Purchasers are advised to verify the registration status of projects on the official portal of the Authority before entering into any transaction.

H. Directions of the Authority:

103. In view of the detailed discussion and findings recorded under Points No. 1 to 4 above, and in exercise of the powers conferred upon this Authority under the Real Estate (Regulation and Development) Act, 2016, the following directions are issued:

- a) Accordingly, Respondent Nos. 1 to 4 are jointly and severally directed to refund to the Complainants the entire amount paid by the Complainants towards the subject apartment, as borne out from the record, along with interest thereon at the rate prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017 (Current SBI MCLR plus 2% i.e. 10.70%), from the respective dates of receipt of each payment till the date of actual refund.
- b) The aforesaid refund along with applicable interest shall be paid within a period of 60 (sixty) days from the date of this Order. In the event of failure to comply with the above direction within the stipulated period, the amount payable shall carry interest at the same prescribed rate for the period of delay.
- c) The liability to refund the aforesaid amount together with interest shall be joint and several upon Respondent Nos. 1 to 4, in view of the findings recorded by this Authority that all the Respondents fall within the definition of “Promoter” under Section 2(zk) of the RE(R&D) Act and were collectively involved in the development framework of the project.
- d) Respondent No.1, M/s Bharathi Builders Pvt Ltd, is hereby declared as a “Defaulter Promoter” under the provisions of the Real Estate (Regulation and Development) Act, 2016, for having committed gross and systematic violations of the provisions of the RE(R&D) Act in relation to the projects “Bharathi Green Empire Towers” and “Bharathi’s Lake View Towers.”
- e) For marketing the project and collecting monies from prospective purchasers without obtaining mandatory registration of the project “Bharathi Green Empire Towers,” in contravention of the provisions of Section 3 of the Real Estate (Regulation and Development) Act, 2016. Accordingly, the Secretary, Telangana Real Estate Regulatory Authority, is hereby directed to take steps to initiate appropriate suo motu proceedings in accordance with law in respect of the said project.

- f) For violating Sections 4, 11 and 13 of the RE(R&D) Act, the Authority hereby imposes a penalty of Rs.3,55,63,297/- (Rupees Three Crore Fifty-five lakhs sixty-three thousand two hundred and ninety-seven only) upon Respondent No.1 and its responsible partners, who were actively involved in the affairs of the project
- g) It is clarified that in Suo Motu Case No. D/205/2025, this Authority had already imposed a penalty of Rs. 1,18,54,432/- (Rupees One Crore Eighteen Lakhs Fifty-Four Thousand Four Hundred Thirty-Two only) upon Respondent No.1 under Section 59 of the RE(R&D) Act for violation of Section 3 in respect of the project “Bharathi’s Lake View Towers.”
- h) The above penalties shall be paid by Respondent No.1 within a period of 60 days from the date of this Order, failing which the same shall be recovered as arrears in accordance with the provisions of the RE(R&D) Act and applicable rules.

104. Failure to comply with above said directions by the Respondent shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.

105. As a result, the complaint is disposed of accordingly. No order as to costs.

Sd/-
Sri. K. Srinivas Rao,
Hon’ble Member
TG RERA

Sd/-
Sri. Laxmi NaryanaJannu,
Hon’ble Member
TG RERA

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