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

Complaint No. 219 of 2025
Dated: 24th August, 2026

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

P. Krishna Reddy
R/o: Plot No. 38, 2nd Floor,
Harshavardhana Enclave, Old Bowenpally,
Hyderabad, Telangana - 500011

…Complainant

Versus

Ramesh Kumar Chabbra,
R/o: H.No.11-1-776/14,
Near St. Josephs High, Chikalguda
Hyderabad, Telangana – 500061 ***…Respondent***

The present matter filed by the Complainant mentioned herein above came up for hearing before this Authority in the presence of the Complainant in person, and the Respondent, and upon hearing the submissions of both the parties, this Authority proceeds to pass the following **ORDER**:

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

A. Brief facts of the case:

3. The Complainant has stated that the Respondent is promoting and developing a villa project under the name and style "Bentley Woods", situated at Phase 2, BHEL Employees Co-operative Housing Society, Jeedimetla Village, Quthbullapur Mandal, Medchal–Malkajgiri District. The project, as stated, comprises a total of 44 villas spread across approximately 2.7 acres of land, thereby falling under the purview of this Authority.

4. The Complainant submits that the said project has not been registered with this Authority, in contravention of the mandatory provisions of Section 3 of the Real Estate

(Regulation and Development) Act, 2016. The Complainant further submits that the Respondent had entered into a development agreement with the original landowners, whereby the ownership share was distributed as 41% to the owners and 59% to the developer. It is stated that, as per the said Development Agreement, construction was restricted to G+1 villas; however, the builder has deviated and is presently constructing G+2 villas, in violation of the agreed terms.

5. The Complainant has further stated that the builder falsely represented that RERA registration for the project would be obtained “soon” and continued to advertise and promote the project aggressively through Facebook, Google advertisements, and physical banners across the areas of Bowenpally and Kompally. However, the builder has failed to provide any proof of submission to or approval from RERA to date.

6. The Complainant states that, relying upon the assurances and representations made by the Respondent, he agreed to purchase Villa No. 3 in the said project and, on 12th October 2024, paid a total sum of ₹20,00,000/- (Rupees Twenty Lakhs only) as token advance, out of the total sale consideration of ₹3.80 crores for the said villa. The Complainant specifies that the payment comprised ₹5,00,000/- via NEFT and ₹15,00,000/- in cash, for a villa stated to be of 5068.96 sq. ft. built-up area.

7. The Complainant submits that subsequent to execution of the sale agreement, he discovered that the Respondent had misrepresented the area and costing of the villa. While the Respondent initially assured that the villa measured 5068.96 sq. ft., he later claimed that only 3900 sq. ft. was attributable to the villa and that the remaining 1169.76 sq. ft. was to be charged towards “open space” of the entire project. The Complainant submits that no such open space charge was ever disclosed prior to agreement or reflected in any document.

8. The Complainant submits that the Respondent’s arbitrary addition of 30% “open space charges” resulted in an unlawful overcharge of approximately ₹90,00,000/- (Rupees Ninety Lakhs only), which is unethical and unlawful. It is stated that the builder intends to register the villa as a plot to evade government charges and bypass the SFT calculations of constructed area. It is further submitted that the builder has obtained individual construction permission for each plot from GHMC, which raises serious concerns regarding the legality of the project layout.

9. It is submitted that, despite these being independent house permission, the builder has falsely collected charges towards "common areas" under the pretence of "Whole project open spaces".

10. The Complainant submits that the sale agreement drafted by the builder contains unfair and one-sided terms, declaring the token amount as non-refundable, without providing any proper cancellation policy or refund mechanism. The Complainant submits that, after realizing the misrepresentation, he attempted to cancel the booking; however, the Respondent refused cancellation and coerced him into proceeding with the purchase under threat of forfeiture of the entire advance amount.

B. Relief(s) Sought:

11. Accordingly, the Complainant sought the following reliefs:

i. *Issue a Show Cause Notice to the Respondent, Mr. Ramesh Kumar Chabbra, and the Bentley Woods project for non-registration of RERA and deceptive trade practices.*

ii. *Investigate the misrepresentation of villa sizes, illegal project open space charges, and unfair agreement terms.*

iii. *Direct the Respondent to refund the token advance amount of Rs. 20,00,000/- (Twenty Lakhs Rupees) with interest as the Complainant was fraudulently misled.*

iv. *The Respondent should not transfer or get into any new sale agreement for Villa No 3 until the Complainant's token amount is returned.*

v. *Declare the sale agreement null and void due to fraudulent misrepresentation and unfair contract terms.*

vi. *Halt the construction and further sales and promotions of Bentley Woods Project until compliance with RERA is ensured.*

C. Counter filed by the Respondent:

12. The Respondent, represented by Mr. Baddam Laxma Reddy, authorized representative on behalf of the Respondent has filed the present counter. At the outset, the Respondent raises a preliminary objection as to the maintainability of the present complaint under the provisions of the *Real Estate (Regulation and Development) Act, 2016*. It is submitted that the project in question comprises individually sanctioned independent buildings, each constructed on separate plots duly approved by GHMC. The subject property, Plot No. 3 / House No. 3, does not fall within the scope of projects requiring RERA registration under Section 3(2)(a) of the Act, as it neither exceeds the threshold of 500 square meters nor involves the construction of more than eight units. Therefore, the project is exempt from mandatory registration under

RERA, and as such, the present complaint is not maintainable and is liable to be dismissed at the threshold.

13. The Respondent further submits that there has been no misrepresentation or fraud on his part. The Complainant voluntarily entered into a registered Agreement of Sale dated 14.10.2024, after having full opportunity to inspect the property, review the building plans, and examine all relevant approvals. It is stated that the Complainant executed the agreement after thorough discussions and complete understanding of the terms and specifications. All essential details were disclosed by the Respondent in good faith and were duly acknowledged in the agreement itself. Hence, the allegations of fraud, coercion, or concealment made by the Complainant are baseless, false, and untenable.

14. It is further submitted that the subject Plot No. 3 / House No. 3 was sold as a lump-sum transaction, representing a complete and independent unit, for a mutually agreed total sale consideration of ₹3.80 Crores. The sale was not based on a per square foot valuation nor was it linked to precise area measurements. Any mention of area in the agreement was only indicative and approximate, provided merely for reference to building plans and municipal requirements, and not for pricing or claim computation. The Complainant was fully aware of the dimensions, structure, and features of the villa and had accepted the total price in complete knowledge and satisfaction. At no point during negotiation or execution did the Complainant raise any objection to the terms, nor was any price adjustment discussed on a per square foot basis. Therefore, the present claim based on measurement disputes or pricing calculations is misconceived, irrelevant, and contractually untenable.

15. The Respondent further submits that there were no promises or representations regarding common areas, and layout amenities. The project does not involve any undivided share model, common clubhouse, shared amenities, or layout plan. Each villa, including the subject house, has been sanctioned independently by GHMC. The open area referred to by the Complainant pertains only to the setback area within the individual plot.

16. With respect to the payments, the Respondent submits that the Complainant has actually paid only ₹5,00,000/- (Rupees Five Lakhs only) at the time of executing the agreement. For the purpose of enabling the Complainant to process a bank loan application, the agreement reflected a total advance amount of ₹20,00,000/-, out of which ₹15,00,000/- was to be adjusted in future payments. However, no such additional payment was made, and only ₹5,00,000/- was actually received by the Respondent. It is further stated that the agreement clearly stipulates

that the advance amount is non-refundable in the event of cancellation by the purchaser. The Complainant, having unilaterally cancelled the transaction and failed to pay the balance amount of ₹3.75 Crores, cannot now seek refund of the advance amount. Hence, his claim is contractually barred and legally untenable.

17. The Respondent submits that the present complaint has been filed with an ulterior motive to avoid the contractual obligations. It is stated that the Complainant has defaulted in making further payments and is now seeking to misuse the process of law to cause harassment to the Respondent and obstruct the lawful sale of the property.

18. In view of the above submissions, the Respondent respectfully prays that this Hon’ble Authority may be pleased to dismiss the complaint in limine as not maintainable under the Real Estate (Regulation and Development) Act, 2016, declare that the project is not liable for registration under RERA, and uphold the validity of the transaction executed between the parties. It is further prayed that the reliefs of refund and interim directions sought by the Complainant be rejected in entirety, and that this Hon’ble Authority may pass such other or further orders as it may deem fit and proper in the interest of justice and equity.

D. Rejoinder filed by the Complainant:

19. It is submitted that the counter filed by the Respondent is misleading, evasive, and contains false and contradictory statements made with an intention to escape from the purview of the Real Estate (Regulation and Development) Act.

20. In response to the Respondent’s contention that the project consists of individually sanctioned buildings each below 500 Sq.m. and not more than 8 units, and hence RERA registration is not applicable, the Complainant submits that the Respondent is actively advertising and marketing the project “Bentley Woods” as a single, cohesive villa project comprising 44 villas in a total land admeasuring Ac.2-27.6 guntas with a unified layout, common access roads, and shared amenities such as a 7,100 SFT clubhouse, grocery store, swimming pool, fitness centre/gym, yoga and meditation room, multipurpose hall, children’s play area, and 24-hour security with CCTV surveillance.

21. It is submitted that the Agreement of Sale clearly refers to the unit as a “Villa” and details all these amenities, thereby proving that the project falls within the ambit of Section 3 of the Act. It is stated that the Respondent’s own brochure falsely declares that each villa is a separate unit with individual permission from GHMC, and is developed in the land area of 250

sq. mts. and as such the project is not registered under TS-RERA, despite no official exemption being issued, which amounts to deliberate fraud on buyers and the authority. It is submitted that this deliberate attempt to bypass statutory obligations amounts to unfair trade practice and warrants penal consequences under Sections 59 and 60 of the Act.

22. The Respondent denies any misrepresentation or fraud and claims that the Agreement was entered voluntarily, the said averments are false and misleading. It is submitted that the Complainant was induced into signing the agreement based on incomplete and misleading representations. It is stated that the Respondent misrepresented the facts regarding the area and specifications of the villa, and the Agreement of Sale specifies the built-up area of Villa No.3 as 5068.96 SFT. It is further submitted that after signing the Agreement, the Respondent changed his stance and claimed that the said area includes 30% of project’s common space, thereby reducing the actual villa area to around 3600–3800 SFT. It is stated that when the Complainant realized this post-contractual fraud, he immediately sought a refund of Rs. 20,00,000/- (Twenty Lakhs Only), which the Respondent refused, citing that the agreement has no cancellation clause and that the token amount is non-refundable.

23. It is submitted that the Agreement of Sale is not in adherence with the RERA Rules and fails to mention carpet area, built-up area, and super built-up area distinctly as required. It is stated that the clauses are highly one-sided, drafted to favour the Respondent and prejudicial to the rights of the Allottee.

24. The Respondent claims that Plot No.3 was sold as a lump-sum transaction and not based on area, the same is false and an afterthought. It is submitted that the property was purchased based on area measurements, and the Respondent himself provided a detailed price list mentioning rate per SFT, and the total price of Rs.3.80 Crores was based on the built-up area of 5068.96 SFT. It is further stated that the Respondent fraudulently added 1169.76 SFT as “30% open space” to inflate the area figure, which was never disclosed or agreed upon.

25. The Respondent states that there are no common areas and each building is independently sanctioned, the same is denied. It is stated that the project “Bentley Woods” is a gated villa project with 44 villas and shared amenities. It is submitted that the project has been extensively marketed through banners and online advertisements, thereby clearly establishing that it falls under the purview of this Hon’ble Authority. It is stated that the Respondent’s attempt to portray the 30% open space as setback area is false and fabricated. It is therefore

submitted that the Hon'ble Authority may direct a site visit or technical inspection to verify the fraud and misrepresentation committed by the Respondent.

26. The Respondent alleges that only Rs.5,00,000/- was paid and Rs.20,00,000/- was mentioned for bank purposes, the same is false. It is submitted that Rs.20,00,000/- was indeed paid and admitted by the Respondent himself in the Agreement of Sale dated 12 October 2024 and in his legal notice dated 25 February 2025, both of which confirm the payment of Rs.20,00,000/- as token advance. It is further submitted that the agreement contains a phased payment plan for the remaining Rs.3.60 Crores, thereby proving that Rs.20 Lakhs was part of total consideration. The Respondent's later denial is a false and contradictory afterthought.

27. It is submitted that it is common knowledge that a bank loan requires compliance and documentation, which were missing in this unregistered Agreement of Sale. It is stated that the Agreement lacks title flow, RERA certificate, and termination or default clauses, making it non-compliant and unfit for financing. It is therefore submitted that the Respondent is merely trying to escape his liability to refund the amount of Rs.20,00,000/-.

28. The Respondent alleges harassment and abuse of process, the said statement is baseless. It is submitted that the Respondent himself has a record of fraudulent conduct and that even the original landowner of the Bentley Woods project, Mr. Chittaboina Raj Kumar, has filed an FIR against the builder for cheating and criminal breach of trust. It is further stated that the Respondent entered into a Development Agreement cum GPA in 2016 but failed to commence construction until 2021 and continues to delay completion.

29. The Respondent seeks declaration that no RERA registration is required, such a declaration is a grave violation of law. It is further submitted that the arrogance and ignorance shown by the Respondent towards the Hon'ble Authority are unlawful and unjustifiable. It is submitted that the Agreement of Sale executed by the Respondent is not in the RERA-prescribed format and contains several one-sided clauses in violation of natural justice and the objectives of the Act. It is further stated that the Hon'ble Supreme Court in *Pioneer Urban Land & Infrastructure Ltd. v. Govindan Raghavan (C.A. No. 12238 of 2018)* has held that one-sided clauses constitute unfair trade practices under Section 2(r) of the Consumer Protection Act, 1986.

30. It is stated that there is no clear mention in the Agreement of Sale regarding mode of payment, time essence, possession details, or default consequences, which are mandatory disclosures under RERA. It is further submitted that though the Complainant requested to pay

the token amount via bank transfer, the Respondent insisted on partial cash payments. The Complainant accordingly paid Rs.5 Lakhs by transfer and Rs.15 Lakhs in cash, and the Respondent's claim that only Rs.5 Lakhs was paid is false. It is stated that due to the Respondent's fraudulent acts, the Complainant suffered mental and financial hardship.

31. In view of the above the Complainant has prayed that this Hon'ble Authority may kindly direct the Respondent to refund the token amount of Rs.20,00,000/- (Rupees Twenty Lakhs Only) along with applicable interest from 12 October 2024 till realization.

E. Points to be determined:

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

I. Whether the present Complaint is maintainable before this Authority under the provisions of the RE(R&D) Act, 2016?

II. Whether the Complainant is entitled to the relief sought? If so, to what extent?

F. Observation by the Authority:

Point 1:

33. At the outset, this Authority considers the preliminary objection raised by the Respondent on the question of maintainability of the present complaint. The Respondent has contended that each villa in the project has been individually sanctioned by GHMC, with each unit being below the threshold of 500 sq. metres and the number of units under each sanction not exceeding eight, thereby claiming exemption under Section 3(2)(a) of the Real Estate (Regulation and Development) Act, 2016. On this basis, the Respondent submits that the project does not require

34. Upon careful examination of the documents, brochures, online advertisements, photographs of promotional banners, and other materials placed on record, this Authority observes that the project titled "Bentley Woods", situated at Phase 2, BHEL Employees Co-operative Housing Society, Jeedimetla Village, Quthbullapur Mandal, Medchal–Malkajgiri District, has been conceived, developed, advertised, and marketed by the Respondent as a single, unified real estate project. The project is promoted with a common brand identity, a composite layout, shared access roads, and a suite of common amenities including a 7,100 sq. ft. clubhouse, swimming pool, grocery store, fitness centre/gym, yoga and meditation room,

multipurpose hall, children's play area, and 24-hour security with CCTV surveillance. The Agreement of Sale executed between the parties itself describes the subject property as a "Villa" and enumerates all such shared amenities, thereby clearly establishing the integrated character of the project.

35. It is further observed that the Respondent had obtained a composite layout approval for the entire land admeasuring 12,770.10 sq. metres, vide Permit No. 2192/GHMC/KPL/2022-FLT dated 15.07.2022. The subsequent procurement of individual GHMC building permissions for each villa on separate sub-plots appears to be a stratagem adopted by the Respondent after securing the composite layout approval, with the apparent intent of circumventing the mandatory registration requirements under the RE(R&D) Act. The fragmentation of approvals, when viewed in the context of the composite layout and unified marketing of the project, cannot be used to artificially bring the project within the exemption thresholds prescribed under Section 3(2)(a) of the RE(R&D) Act

36. For the purpose of adjudication of this point, it is relevant to refer to the following provisions of the Act. Section 2(zn) defines "real estate project" as follows

> **Section 2(zn) defines "real estate project"** to mean "*the development of a building or a building consisting of apartments, or converting an existing building or a part thereof into apartments, or the development of land into plots or apartment, as the case may be, for the purpose of selling all or some of the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto;.*"

37. Section 3(1) of the RE(R&D) Act, 2016 mandates that

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

38. The limited exemption under Section 3(2)(a) applies only where the *area of land proposed to be developed does not exceed 500 square metres* or *the number of apartments proposed to be developed does not exceed eight inclusive of all phases.*

39. In the present case, the composite layout approval obtained by the Respondent covers a total land extent of 12,770.10 sq. metres, which far exceeds the exemption threshold of 500 sq. metres prescribed under Section 3(2)(a). Moreover, the project comprises 44 villas in its entirety, which substantially exceeds the threshold of eight units. The definition of "real estate

project" under Section 2(zn) unequivocally encompasses the development of land into plots or buildings for the purpose of sale. Accordingly, the project "Bentley Woods" squarely falls within the regulatory ambit of the RE(R&D) Act, and the Respondent's attempt to seek exemption by disaggregating individual units is legally untenable and contrary to the spirit and object of the legislation

40. This Authority is constrained to observe a further and particularly grave dimension of the Respondent's conduct, which strikes at the core of the regulatory framework established under the Act. The Respondent, even after being questioned by this Authority and thereafter obtaining registration, registered the project as "Chabbras Bentley Woods" bearing RERA Registration No. P02200010178 as a layout plot project. However, the Agreement of Sale executed with the Complainant and indeed the entirety of the Respondent's marketing material, online advertisements consistently and unmistakably describes and promotes the subject properties as "Villas", not as plots. The Agreement of Sale itself specifically uses the term "Villa No. 3" and enumerates in detail a range of shared amenities including a clubhouse, swimming pool, gymnasium, and 24-hour security, which are wholly inconsistent with the character of a simple plotted layout development. This internal contradiction selling villas with common infrastructure while registering as a plotted layout shows the deliberate evasion of registration as villa project by artificially fragmenting the composite project into individual plot permissions each below 500 sq. metres. Section 2(zn) of the RE(R&D) Act unequivocally defines a real estate project to include both the development of land into plots and the development of buildings for the purpose of sale. The Respondent's conduct falls within both limbs of this definition simultaneously, yet he sought to register under the narrower plotted layout category to minimise his regulatory obligations. This Authority unequivocally condemns such stratagems. Any attempt by a promoter to fragment an integrated villa project in order to evade the full rigour of RERA registration while simultaneously marketing fully constructed villas with amenities to unsuspecting buyers strikes at the very foundation of the statutory scheme enacted for consumer protection, transparency, and accountability in the real estate sector. Such conduct constitutes a clear abuse of process and a subversion of legislative intent. This Authority accordingly finds the Respondent in violation of Section 3 of the RE(R&D) Act and hereby directs the Secretary, RERA, to initiate appropriate steps for imposition of penalty under Section 59 of the RE(R&D) Act, 2016. This Authority further puts the Respondent, and similarly placed promoters, on notice that any repetition of such regulatory evasion shall invite stringent penal action under the provisions of the RE(R&D) Act.

41. In light of the foregoing, this Authority holds that the present complaint is maintainable before this Authority and that the project falls squarely within the purview of the Act.

Point 2:

42. This Authority has carefully considered the pleadings, submissions, and documents placed on record by both parties. It is the case of the Complainant that he paid a total advance of ₹20,00,000/- (Rupees Twenty Lakhs Only) to the Respondent on 12.10.2024 towards the purchase of Villa No. 3 in the project, comprising ₹5,00,000/- (Rupees Five Lakhs Only) by NEFT transfer and ₹15,00,000/- (Rupees Fifteen Lakhs Only) in cash, as part of the total sale consideration of ₹3,80,00,000/- (Rupees Three Crores Eighty Lakhs Only). The Agreement of Sale dated 12.10.2024, duly executed between the parties, expressly records the receipt of ₹20,00,000/- (Rupees Twenty Lakhs Only) as token advance, with the balance of ₹3,60,00,000/- (Rupees Three Crores Sixty Lakhs Only) payable thereafter in terms of the agreed payment schedule

43. The Respondent, however, disputes the receipt of ₹15,00,000/- (Rupees Fifteen Lakhs Only) and contends that only ₹5,00,000/- (Rupees Five Lakhs Only) was actually paid at the time of execution of the Agreement. The Respondent seeks to explain the discrepancy by asserting that the figure of ₹20,00,000/- was reflected in the Agreement of Sale solely for the purpose of facilitating the Complainant's bank loan application, with the remaining ₹15,00,000/- intended to be adjusted against future instalments.

44. This Authority is unable to accept the aforesaid explanation. The Agreement of Sale dated 12.10.2024, which is a registered document executed between the parties, unequivocally records the payment of ₹20,00,000/- (Rupees Twenty Lakhs Only) as the token advance received from the Complainant. No contemporaneous document, receipt, or correspondence has been produced by the Respondent to substantiate his claim that ₹15,00,000/- was merely a notional entry for loan facilitation purposes. Furthermore, the reply notice dated 25.02.2025 issued by the Respondent's advocate specifically refers to the Complainant's failure to pay "the remaining amount of ₹3,60,00,000/-," which, when read alongside the total consideration of ₹3,80,00,000/- stated in the Agreement, constitutes an implied admission that ₹20,00,000/- had already been received by the Respondent. The Respondent's subsequent denial of receipt of ₹15,00,000/- is inconsistent with his own legal correspondence and is therefore not credible.

45. On the question of misrepresentation of area, this Authority observes the following. The Schedule of Property forming part of the Agreement of Sale dated 12.10.2024 describes

Villa No. 3 as admeasuring 229.45 sq. yds. / 191.85 sq. mtrs., with a "constructed area of about 5068.96 sq. ft. including common area." The price list produced by the Complainant similarly records the "super built-up area" and "total saleable area" of Villa No. 3 as 5068.96 sq. ft. It is undisputed that the total sale consideration of ₹3,80,00,000/- was agreed upon on the basis of this stated area.

46. Subsequent to execution of the Agreement, the Respondent allegedly altered his position and informed the Complainant that the actual villa area was only approximately 3,900 sq. ft. and that the remaining 1,169.76 sq. ft. comprised a "30% open space" component attributable to the entire project. This representation was made for the first time after the Agreement was signed and was not disclosed at any stage prior to or at the time of execution. It is relevant to note that the Agreement of Sale itself does not contain any specific break-up of the area in terms of carpet area, built-up area, and saleable area, nor does it separately disclose or quantify any "open space" or "common area" charge, as mandatorily required under applicable rules

47. In this context, this Authority refers to Rule 2(g) of the Telangana Real Estate (Regulation and Development) Rules, 2017, which defines "Saleable Area" as including carpet area, together with exclusive balcony/veranda/terrace areas, plus the proportionate share of common areas and any other area as agreed between the promoter and allottee for which a proportionate cost has been collected. While the law permits inclusion of proportionate common area in the saleable area, such inclusion must be explicitly disclosed to the allottee and clearly reflected in the Agreement of Sale. A promoter cannot unilaterally alter or re-characterize the composition of the agreed area after execution of the agreement.

48. This Authority further observes that Rule 38(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017, read with the prescribed format for agreements of sale, requires the promoter to furnish a clear break-up of all charges forming part of the sale consideration, including the cost of the apartment, cost of exclusive open areas, proportionate cost of common areas, preferential location charges, taxes, and maintenance charges. The Agreement of Sale executed by the Respondent conspicuously fails to comply with these mandatory disclosure requirements. The absence of such disclosures constitutes a violation of Rule 38(1) read with Section 13(2) of the RE(R&D) Act, 2016, which mandates that the promoter shall not accept a sum more than ten percent of the cost of the apartment without first entering into a written agreement of sale and disclosing all required particulars.

49. The Respondent has sought to justify the post-agreement variation in area by contending that the 1,169.76 sq. ft. represents "setback area" within the individual plot. This Authority is unable to accept such a contention. Plot area and constructed built-up area are distinct legal concepts. The plot area including setbacks, open yards, or any unbuit-upon portions cannot be amalgamated with the built-up area of a villa and charged as part of the "constructed area" or "saleable area" without explicit prior disclosure and the informed consent of the purchaser. The attempt to represent the combined figure of 5,068.96 sq. ft. as the saleable area of the villa, without clearly demarcating the plot-related open areas, amounts to a material misrepresentation of a significant attribute of the property contracted for.

50. In this regard, this Authority refers to Section 12 of the RE(R&D) Act, 2016, which provides:

> *"Where any person makes an advance or a deposit on the basis of the information contained in the notice advertisement or prospectus, or on the basis of any model apartment, plot or building, as the case may be, and sustains any loss or damage by reason of any incorrect, false statement included therein, he shall be compensated by the promoter in the manner as provided under this Act:*
>
> *Provided that if the person affected by such incorrect, false statement contained in the notice, advertisement or prospectus, or the model apartment, plot or building, as the case may be, intends to withdraw from the proposed project, he shall be returned his entire investment along with interest at such rate as may be prescribed and the compensation in the manner provided under this Act"*

51. The facts of the present case demonstrate that the Complainant entered into the Agreement of Sale on the basis of representations made by the Respondent regarding the area and specifications of the villa. The post-agreement revision in the stated area, accompanied by introduction of a hitherto undisclosed "open space" charge, constitutes an incorrect and misleading representation within the meaning of Section 12 of the RE(R&D) Act. The Complainant, upon discovering such misrepresentation has sought cancellation of the Agreement and refund of the amount paid.

52. The Respondent has sought to rely upon the non-refundability clause in the Agreement of Sale to resist the Complainant's prayer for refund. This Authority finds that such a clause, operating in the context of a non-RERA-compliant agreement that does not conform to the mandatory prescribed format, fails to contain the material disclosures required under the RE(R&D) Act and the Rules, and which was induced by misrepresentation, cannot be given effect to the detriment of the allottee. The Agreement of Sale in question does not conform to the format mandated under Rule 38(1) of the Telangana Real Estate (Regulation and

Development) Rules, 2017, and the non-refundability clause included therein cannot override the statutory rights of the Complainant under the RE(R&D) Act.

53. This Authority further finds that the Complainant's decision to withdraw from the project was not arbitrary or in breach of contract, but was a reasonable and justified response to material discrepancies, non-disclosure, and misrepresentation on the part of the Respondent. In the circumstances, the Complainant cannot be penalized by forfeiture of the advance amount paid by him. The Respondent is therefore liable to refund the entire amount received from the Complainant.

54. Accordingly, this Authority holds that the Complainant has been materially misled by the Respondent's representations and is entitled to withdraw from the project and seek a full refund of the amount paid. The Complainant is accordingly entitled to a refund of ₹20,00,000/- (Rupees Twenty Lakhs Only).

G. Directions of the Authority:

55. In view of the findings recorded hereinabove under Point I and Point II, and in exercise of the powers vested in this Authority under Section 37 of the Real Estate (Regulation and Development) Act, 2016, this Authority issues the following directions:

a. The Respondent is hereby directed to refund the entire token advance amount of ₹20,00,000/- (Rupees Twenty Lakhs Only) to the Complainant, Mr. P. Krishna Reddy, within a period of thirty (30) days from the date of this Order.
b. Failing to comply with the above-said direction by Respondents shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.
c. This Authority notes with concern that the project "Chabbras Bentley Woods" has been consistently advertised, and sold to allottee as a villa project with common amenities including a clubhouse, swimming pool, gymnasium, and 24-hour security, whereas the Respondent has obtained registration under the RE(R&D) Act for the said project as a plotted layout (Registration No. P02200010178). The Agreement of Sale itself describes the subject property as "Villa No. 3" and enumerates these shared amenities, which is wholly irreconcilable with the character of a bare plotted layout development. This misalignment between the nature of the registered project and the manner in which it is being marketed and sold raises serious concerns regarding transparency and the potential prejudice to allottees who contracted for constructed villas with amenities but

may receive only plots under the registered scheme. Accordingly, the Respondent is hereby prohibited from advertising, marketing, promoting, or representing the project "Chabbras Bentley Woods" whether through print, digital, online, social media, banners, brochures, or any other medium in any manner that is inconsistent with or different from the nature of the project as registered under the RE(R&D) Act, 2016.Any advertisement, brochure, or promotional material that misrepresents the nature, specifications, or amenities of the project relative to its registered character shall be forthwith withdrawn. Any violation of this direction shall constitute a continuing contravention of Section 3 read with Section 11 of the RE(R&D) Act, 2016.

d. As found under Point I above, the Respondent has violated Section 3(1) of the RE(R&D) Act, 2016 by advertising, marketing, and selling units in the project "Bentley Woods" / "Chabbras Bentley Woods" without prior registration, as mandatorily required. The Respondent's belated registration during the pendency of these proceedings does not absolve him of the antecedent violation. Accordingly, in exercise of the powers conferred under Section 38 of the RE(R&D) Act, 2016, this Authority hereby issues the following directions:

    i) the Respondent is held liable for imposition of penalty under Section 59 of the RE(R&D) Act, 2016. Accordingly, the Respondent is directed to pay a penalty of Rs. 98,03,458/- within a period of thirty (30) days from the date of receipt of this Order, in favour of the TGRERA Fund, either by way of Demand Draft or through online transfer to Account No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036.

    ii) The Respondent is hereby informed that failure to comply with the directions issued herein shall attract further penal consequences under Section 63 of the RE(R&D) Act, 2016, without any further notice.

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

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

Sd/-
Sri. Laxmi Narayana Jannu,
Hon'ble Member
TG RERA