

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

**COMPLAINT NO.158 OF 2024**

**26<sup>th</sup> Day of March 2025**

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

Smt. Veluri Adi Lakshmi  
R/o E-703, Western Exotica,  
Maharshi Marg, Behind KIMS Hospital,  
Hanuman Nagar, Kondapur,  
Hyderabad, Telangana - 500084

...Complainant

Versus

Smt. Vineela Arani  
R/o Flat No.1104, Pegasus, A-Wing,  
Meenakshi Sky Lounge, Hi-Tex Road,  
Khanampet, Serilingampally Mandal,  
Rangareddy, TG – 500084

...Respondent

The present matter filed by the Complainant herein came up for hearing on 17.10.2024, 07.11.2024, 28.11.2024 and 10.12.2024 before this Authority in the presence of Complainant in person and Authorized Representative of the Respondent, and after hearing the arguments, this Authority passes the following

**ORDER:**

2. The present Complaint has been filed by the Complainant under Section 31 of the Real Estate (Regulation & Development) Act, 2016 read with Rule (hereinafter referred to as the “Act”) read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the “Rules”) seeking appropriate reliefs against the Respondent.

**Brief facts of the case:**

3. The Complainant submitted that the promotor, Ms. Vineela Arani is the sole and absolute owner and the peaceful possessor of the southern part of Plot

No. 23-A, admeasuring 3-11.80 sq. yds which is equivalent to 285.78 sq. mts in Sy. No's 78, 80 and 82 (part) is situated at Park Avenue, Kondapur District, Serilingampally Mandal and under GHMC Circle, Ranga Reddy District, Telangana having purchased from V Syamala Rao and A Haya Ram Reddy vide sale document no. 3065/2022 registered at Rangareddy (R.). That the promotor made an application with the office of the Greater Hyderabad Municipal Corporation (GHMC) and obtained permission for the construction of a residential complex at the above-said property comprising of 1 stilt + 5 upper floors vide permit no.5796/GHMC/SLP/2023-BP dated. 29.05.2023 and thereafter got this project registered with TGRERA vide Reg. No. P02400006928.

4. That after due verification of project details from the TG RERA website, the Complainant made a payment of Rs. 95,000/- (Rupees Ninety-Five Thousand Only) through net banking dated 31.12.2023 (confirmation receipt given on 25.01.2024) and also issued a cheque (Cheque. No. 234293) for an amount of Rs. 27,00,000/- (Rupees Twenty-Seven Lakhs Only) on 25.01.2024 towards the booking amount for Flat No. 502 on the Fifth Floor having a saleable area of 1615 sft (plinth area of 1243 sft and common area of 372 sft) and car parking of 80 sft along with 49.80 sq. yds in undivided share in land in the said project.

5. That upon receipt of the booking amount, the Respondent entered into an agreement of sale (AOS) dated 25.01.2024 with the Complainant whereof the Respondent agreed to sell Flat No. 502 on the fifth floor having a saleable area of 1615 sft (plinth area of 1243 sft and a common area of 372 sft) and car parking of 80 sft along with 49.80 sq. yds in undivided share in land in the said project for a total consideration of Rs. 1,14,32,000/- (Rupees One Crore Fourteen Lakhs and Thirty-Two Thousand Only) of which she paid Rs.27,95,000/- (Rupees Twenty-Seven Lakhs Ninety-Five Thousand Only) as booking amount.

6. That she submitted that upon request from the Respondent, she paid a further sum of Rs. 5,00,000/- (Rupees Five Lakhs Only) on 14.02.2024 vide cheque (Cheque No. 234294), Rs. 10,00,000/- (Rupees Ten Lakhs Only) on 07.03.2024, Rs. 5,00,000/- (Rupees Five Lakhs Only) on 02.04.2024, Rs.4,00,000/- (Rupees Four Lakhs Only) on 03.04.2024, Rs. 4,00,000/- (Rupees

Four Lakhs Only) on 04.04.2024 and Rs. 7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) on 12.04.2024 through net banking mode. In aggregate, she paid a total sum of Rs. 63,45,000/- (Rupees Sixty-Three Lakhs Forty-Five Thousand Only) towards the purchase of the above-mentioned Flat which includes the booking amount.

7. When she requested the Respondent to register the said flat by receiving the balance consideration of Rs. 50,87,000/- (Rupees Fifty Lakhs Eighty-Seven Thousand Only) by way of cheque, the Respondent refused to register the said flat. Despite all possible efforts, the Complainant didn't see any progress from the Respondent. Adding onto the issue, the Respondent simply blamed state elections as an excuse for refusal of registration. The Complainant submitted that even considering that as an excuse, subsequent to conducting of elections and declaring of results also the Respondent did not respond to her request to register the flat in her name.

8. She submitted that shockingly, the Respondent informed her to pay an extra amount of Rs. 6,50,000/- (Rupees Six Lakhs Fifty Thousand Only) as the market rates increased and that the Respondent is unwilling to register the flat unless the excess demanded amount is paid. That, leaving no choice, on 08.07.2024, with the help of an advocate Mr. Achuta Ramarao, she got issued legal notice to the Respondent to respond to her issue. The post was returned with remarks that the Respondent was not at the given address.

9. She submitted that pursuant to clause (f) of sub-section (4) of Sec 11, read with sub-section (1) of Section 17 of the act, the promotor shall execute a registered conveyance deed of the apartment, plot or building, as the case may be, in favour of the allottee within the specified period as per sanctioned plans as provided under the local laws. Provided that, in the absence of any local law, a conveyance deed in favour of the allottee or the association of the allottees or the competent authority, as the case may be, under this section shall be carried out by the promoter within three months from date of issue of occupancy certificate. That despite persistent efforts, the Respondent failed to register the said flat in her favour by accepting the balance consideration of Rs. 50,87,000/- (Rupees

Fifty Lakhs Eighty-Seven Thousand Only). That she came to know that the Respondent is planning to sell in agreed flat to third parties if the Complainant does not pay the additional consideration as demanded.

10. She submitted that pursuant to sub-section (1) and (2) of Section 13, the Respondent shall not accept a sum of more than ten per cent of the cost of the apartment, plot, or building as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale, under any law for the time being in force. The Complainant submitted that the AOS entered into with the Respondent is not in line with the format prescribed by this Authority as specified under Rule 38 of the Rules, 2017. Further, the AOS entered into is executed on 100 rupees non-judicial bond paper and not a registered one in violation of the provisions of sub-sections (1) and (2) of Section 13.

11. That pursuant to sub-section (1) of Section 11 of the Act read with sub-rule (1) of Rule 14 of the Rules, 2017 and sub-rule (1) of Regulation 6 of Telangana State Real Estate Regulatory Authority (General) Regulations, 2023, the Respondent shall upload all the details of the project with further mandatory updates once in every three months which also includes quarterly up-to-date the list of number and types of apartments or plots, as the case may be, booked. Upon verification, it was observed that the Respondent failed to update the status of the project including details of flats, sold or booked on a quarterly basis.

12. Further, upon verification of EC from the IGRS Telangana portal as of 16.07.2024, Flat No. 201 (Doc. No. 20011/2023), Flat No. 202 (Doc. No. 20012/2023), Flat No. 302 (Doc. No. 20013/2023), Flat No. 301 (Doc. No. 87/2024), Flat No. 501 (Doc. No. 6843/2024), and Flat No. 401 (Doc. No. 11566/2024) were sold.

13. The Complainant submitted that as per Section 18, if the promotor fails to complete or is unable to give possession of an apartment, plot or building in accordance with the terms of the agreement for sale, the promotor shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the

project, and if not, then the promoter shall pay interest for every month of delay to the allottee till the handing over of the possession, at such rate as may be prescribed. The Complainant submitted that as she does not want to withdraw from the project and hence it is the duty of the promoter i.e., the Respondent to register the said Flat in favour of the Complainant.

14. Further, sub-rule (4) of Rule 3 of the Rules, 2017 wherein the promoter shall provide an affidavit cum declaration in Form B. Point 10 of Form B mentions that the promoter shall not discriminate against any allottee at the time of allotment of any apartment. It is evident from the above that the promoter discriminates in the Complainant's case without registering the agreed flat but registering other flats.

15. Point 1.3 of Model Agreement of Sale as available on the portal states that *"the Total Price is escalation-free, save and except increases which the Allottee hereby agrees to pay, due to increase on account of development charges payable to the competent authority and/or any other increase in charges which may be levied or imposed by the competent authority from time to time. The Promoter undertakes and agrees that while raising a demand on the Allottee for an increase in development charges, cost/charges imposed by the competent authorities, the Promoter shall enclose the said notification/ order/rule/regulation to that effect along with the demand letter being issued to the Allottee, which shall only be applicable on subsequent payments. Provided that if there is any new imposition or increase of any development charges after the expiry of the scheduled date of completion of the project as per registration with the Authority, which shall include the extension of registration, if any, granted to the said project by the Authority, as per the Act, the same shall not be charged from the allottee"*. The Complainant submitted that demanding additional consideration due to an increase in market rates by the Respondent is nothing but detrimental to the Complainants' rights as an allottee.

16. The Complainant relied upon the decision of the Hon'ble Supreme Court of India in Civil Appeal Nos. 3581-359 of 2022, in *M/s Imperia Structures Limited vs. Anil Patni & Others*, wherein it was held that *"in terms of Section 18 of the*

*RERA Act, if a promoter fails to complete or is unable to give possession of an apartment by the date specified in the agreement, the promoter would be liable, on-demand, to return the amount received in respect of that apartment if the allottee wishes to withdraw from the project. Such a right of the allottee is 'without prejudice to any other remedy available to him. This right is unqualified, and if availed, the deposited money must be refunded with interest as prescribed. The proviso to Section 18(1) contemplates that if the allottee does not intend to withdraw from the project, they are entitled to interest for every month of delay until possession is handed over. The allottee may proceed under Section 18(1) or the proviso thereto'.*

17. Further, the Complainant relied on the case of *Jayesh Shenvi vs. D. K. Enterprises*, wherein the Maharashtra Real Estate Appellate Tribunal held that *"the alleged transfer of flat by Promoter in favour of third party will not defeat the contractual right of Allottee to seek relief of performance from Promoter on the basis of the transfer of flat booked originally by Allottee as Promoter never cancelled the said transaction by informing to the Allottee"*.

18. The Complainant also relied on G.O. Ms. No. 168, Dated. 28.04.2012 wherein Rule 26 of the Andhra Pradesh Building Rules, 2012 states that *"an Occupancy Certificate shall be mandatory for all buildings. No person shall occupy or allow any other person to occupy any building or part of a building for any purpose unless such building has been granted an Occupancy Certificate by the Sanctioning Authority."*

**Relief sought:**

19. Aggrieved by the actions of the Respondent, the Complainant prayed as under:

- a. Direct the promotor to accept the balance consideration towards the agreed flat without any additional amount demanded and pass necessary orders to the promotor to register the said Flat under my name;*

- b. Pass appropriate orders to the promotor not to enter into any kind of agreement in respect of the agreed flat in favour of any other person, in whatsoever manner;*
- c. Impose monetary penalties on the promotor for contravention of the provisions of the act and rules made thereon.*

**Counter on behalf of the Respondent:**

20. The Respondent filed a Counter on 25.09.2024 and submitted that the Complainant came to the Respondent's office and booked flat in Jaswitha Orchids Block-A-502 and also paid sale advance for Rs.27,00,000/- (Rupees Twenty-Seven Lakhs Only) on 25.01.2024. Further, it was submitted that the Complainant made partial payment of Rs.62,50,000/- (Rupees Sixty-Two Lakhs and Fifty Thousand Only) and the last payment made was on 12.04.2024 against which agreement of sale was given in January 2024. The Respondent stated that she orally informed the Complainant that within 45 days registration will be completed. It was submitted that the Respondent had already informed many times to move forward for registration and waited for 4 months but as there was no response from the Complainant, she, on account of losing business, sold the subject flat to a third party. Accordingly, the Respondent prayed to dismiss the Complaint.

**Points for consideration:**

21. Upon deliberation of the contentions as well as the documents filed therein, the following issues sprout for consideration:

- I. Whether the Respondent has violated Section 13 of the Act, 2016?
- II. Whether the Respondent is in violation of Section 11(5) of the Act, 2016?
- III. Whether the Complainant is entitled to the reliefs as prayed for?

**Observations and directions of the Authority:**

**Point I**

22. The Complainant submitted that the Agreement of Sale dated 25.01.2024 entered into with the Respondent is not in line with the format provided in the Annexure under Rule 38 of the Rules, 2017. Further, the Agreement of Sale



entered into is executed on 100 rupees non-judicial bond paper and not registered. To this, the Respondent has only submitted that Agreement was given to the Complainant but did not speak anything with respect to the violations alleged by the Complainant.

23. A bare perusal of the Agreement of Sale dated 25.01.2024 shows that the same is not in consonance with the Annexure to Rule 38. It is noticed that during registration of the project with this Authority, the Respondent has submitted a Draft Agreement of Sale that is to be issued to the prospective allottees which is verbatim same as that of draft Agreement of Sale as provided under Annexure to Rule 38. However, the Respondent has executed a completely different Agreement of Sale to the Complainant herein completely in contravention of the Rule 38 and also in contravention to what has been submitted to the Authority during registration of the project. This very act of the Respondent in executing a completely different agreement of sale to the Complainant herein, admittedly, is deprecated and that the same attracts penalty under Section 60 of the Act, 2016.

24. Section 4(2)(g) mandates the Promoter to file "*proforma of the allotment letter, agreement for sale, and the conveyance deed proposed to be signed with the allottees*". Accordingly, the Respondent has filed a proforma for agreement of sale as mandated at the time of making application for registration of the project, this provision is stipulated in order to ensure that promoters are strictly complying with the terms of the said proforma and not execute any other document as per their whims and fancies to their benefit and detriment of the allottees. This goes to show that the Respondent promoter has falsely posed that the same proforma will be used for the prospective allottees, but a completely different Agreement has been executed with the Complainant thereby attracting penalty under Section 60 of the Act, 2016 which stipulates that when the promoter submits any false information or contravenes provisions of Section 4 of the Act, 2016, he/she shall be liable to penalty. Therefore, Respondent herein is liable for penalty under Section 60 for providing false information.

25. Coming to whether the Respondent violated Section 13, it is observed that the same is not in consonance with Rule 38 and admittedly, the Agreement of



Sale dated 25.01.2024 is not registered by the Respondent. This very act of the Respondent is in violation of Section 13 as it mandates to register the Agreement of Sale as and when the same is executed. Therefore, it is held that Respondent is in violation of Section 13 of the Act, 2016.

26. Point I is answered in affirmative, and the Respondent is liable for penalty for violation of Section 13 under Section 61 of the Act, 2016, and so also for violation of Section 4 read with Section 60 of the Act, 2016.

## **Point II**

27. The Agreement of Sale dated 25.01.2024 does not have any explicit condition with respect to cancellation of an allotment. Section 11(5) stipulates that cancellation of an allotment made to an allottee can be done only in accordance with the agreement of sale. However, when the agreement of sale executed between the parties is silent on the same, the same has to be dealt in accordance with provisions of the Act, 2016. Furthermore, as the Respondent had submitted the same agreement of sale as is stipulated under Annexure to Rule 38 of the Rules, 2017, this Authority deems it fit to consider the provisions of the same agreement uploaded by the Respondent.

28. Section 13(2) stipulates that the agreement for sale referred to in sub-section (1) shall be in such form as may be prescribed. Accordingly, the Agreement of Sale was prescribed under Rule 38.

29. Cancellation clause under Annexure to Rule 38 stipulates as under:

*“7.5 Cancellation by Allottee – The Allottee shall have the right to cancel/withdraw his allotment in the Project only as provided in the Act: Provided that where the allottee proposes to cancel/withdraw from the project without any fault of the promoter, the promoter herein is entitled to forfeit the booking amount paid for the allotment. The balance amount of money paid by the allottee shall be returned by the promoter to the allottee within three months of such cancellation or at the time that the Promoter is able to resell the said Apartment/Plot to another purchaser, whichever is later.”*

Clause 9.3

*“The Allottee shall be considered under a condition of Default, on the occurrence of the following events: (i) In case the Allottee fails to make payments for \_\_\_\_ consecutive demands made by the Promoter as per the Payment Plan annexed hereto, despite having been issued notice in that regard the allottee shall be liable to pay interest to the promoter on the unpaid amount at the rate prescribed in the Rules; (ii) In case of Default by Allottee under the condition listed above continues for a period beyond \_\_\_\_ consecutive months after notice from the Promoter in this regard, the Promoter may cancel the allotment of the [Apartment/Plot] in favour of the Allottee and refund the money paid to him by the allottee by deducting the booking amount and the interest liabilities and this Agreement shall thereupon stand terminated. Provided that the promoter shall intimate the allottee about such termination at least thirty days prior to such termination. The amount shall be repaid by the Promoter within a period of ninety days after termination or the date on which the Promoter is able to resell the Apartment/Plot to another purchaser, whichever is later.”*

30. A plain reading of the above shows that the cancellation of an allotment can be done - at the behest of the allottee where promoter can forfeit the booking amount, next at the behest of the promoter, when the allottee fails to comply with the payment schedule. In the facts of the present case, the Respondent claims that the Complainant failed to make further payment despite several calls made to her, whereas Complainant claims that the Respondent sought for additional amounts over and above the total sale consideration to be able to register the flat. In this regard, it is pertinent to note that the Complainant failed to produce any document/e-mail/conversation or any such evidence to establish that the Respondent has asked for additional sale consideration apart from what has been agreed. The Respondent too, did not state anything with respect to this allegation.

31. On the contrary, Respondent submitted that on account of the Complainant not responding and delaying the payment, the Respondent telephonically informed the Complainant that she will refund the amounts paid

by the Complainant and sell the subject flat to a third party. And accordingly, the amounts, except the booking amount of Rs.95,000/- (Rupees Ninety-Five Thousand Only), have been admittedly refunded to the Complainant on 21.08.2024. However, the Respondent also failed to produce any evidence to establish that the Complainant failed to make the payment. The Complainant submits that on account of unjust increase of price by the Respondent, the Complainant did not pay the amounts and to this, the Complainant issued a legal notice to the Respondent on 08.07.2024, which was not delivered to her but subsequent to the same, no action was taken by the Complainant. Also, during oral submissions, the Complainant stated that the balance sale consideration was not paid on account of the Respondent seeking additional amounts over and above the agreed sale consideration.

32. In this regard, it is observed that law as stipulated above, clearly states that cancellation, when done at the behest of the promoter on account of failure of the promoter to comply with the payment schedule, should be done by giving a notice in writing to the allottee. However, admittedly, no such notice was issued by the Respondent to the Complainant for making timely payments. Therefore, the Respondent has violated Section 11(5) by cancelling the allotment made to the Complainant by not giving notice in writing to the Complainant.

33. Point II is answered accordingly and the Respondent is liable for penalty for violation of Section 11(5) of the Act, 2016.

### **Point III**

34. Coming to the relief prayed by the Complainant regarding registration of flat, it is observed that Complainant ought to have complied with the payment schedule agreed amongst the parties and in accordance with 19(6) and make timely payments to the Respondent. Solely relying on the allegation that Respondent demanded additional amounts and failed to accept the Complainant's balance sale consideration, do not establish the Complainant's bona fides beyond reasonable doubts that she intended to pay the remaining sale consideration. Further, mere issuance of legal notice, which was not delivered to the Respondent, and subsequent inaction by the Complainant in this regard, add

to the inaction on her part. As the Respondent has now refunded the entire sale consideration to the Complainant except for the booking amount and has created third party rights on the subject flat, the relief prayed for by the Complainant has become infructuous. This Authority cannot subject the third party to undue hardship resulting from the Complainant's delay in payment.

35. Therefore, this Authority holds that the Complainant is not liable to reliefs as prayed for as they are infructuous.

36. Further, the Complainant had orally prayed to return of the booking amount of Rs.95,000/- (Rupees Ninety-Five Thousand Only) which had been forfeited by the Respondent. As the provision explained in Para Nos.30 to 32 clearly stipulates that the Respondent may forfeit the booking amount if the cancellation is made at the behest of the Complainant, for no fault of the Respondent, then the Complainant is not entitled to return of the booking amount.

37. Point III is answered accordingly.

38. Before going into the directions, this Authority has taken cognizance of the contention raised by the Complainant that pursuant to sub-section (1) of Section 11 of the Act read with sub-rule (1) of Rule 14 of the Rules, 2017 and sub-rule (1) of Regulation 6 of Telangana State Real Estate Regulatory Authority (General) Regulations, 2023, the Respondent has failed to upload all the details of the project with further mandatory updates once in every three months which also includes quarterly up-to-date the list of number and types of apartments or plots, as the case may be, booked. Upon verification, it was observed that the Respondent failed to update the status of the project on a quarterly basis and therefore, appropriate proceedings in accordance with the Circular issued by this Authority vide No.629/TGRERA/2024 dated 18.03.2025 have been initiated against the Respondent.

**Directions of the Authority:**

39. In light of the above discussion, the Authority vide its powers under Section 37 and 38, issues the following directions:

- i. Respondent is liable for penalty under Section 60 for violation of Section 4 by providing false information and misrepresenting the Authority and is therefore, directed to pay penalty of Rs.6,87,218/- (Rupees Six Lakhs Eighty-Seven Thousand Two Hundred and Eighteen Only) payable within 30 (thirty) days in favor of TG RERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036; and
- ii. Respondent is liable for penalty under Section 61 for violation of Section 11(5) & 13 and is therefore, directed to pay penalty of Rs.6,87,218/- (Rupees Six Lakhs Eighty-Seven Thousand Two Hundred and Eighteen Only) payable within 30 (thirty) days in favor of TG RERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036; and
- iii. Respondent is directed, strictly, to comply and execute the Agreement of Sale as is submitted and filed by the Respondent on the project website and not deviate from the same as otherwise, penalty shall be imposed in accordance with Section 63 of the Act, 2016; and
- iv. The Respondent is hereby informed that non-compliance of the directions of the Authority shall attract penalty under Section 63 of the Act, 2016.

40. In light of the above directions, the present complaint is disposed of. No order as to costs.

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

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

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