

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

**COMPLAINT NO.984 OF 2024**

**21<sup>st</sup> Day of April 2025**

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

1. Hari Prasad Peddi, S/o. Peddi Veeresham,  
Villa No.8, Luneti Villas, Kismathpur,  
Bandlaguda Jagir, Hyderabad-500086.

2. Vineet Kumar Goyal,  
Aged about 54 years, R/o.505, Rahul Inspiron,  
Hyderguda, Near Rahul Richland Apartments,  
Attapur, Rajendranagar, K.V. Rangareddy, Telangana.

3. Kasam Kishan, S/o. Kasam Rajaiah, Aged about 45 years,  
R/o.Flat.No.607, Amber Block, My Home Jewel,  
Madenaguda, Miyapur, Serilingampally,  
K.V. Rangareddy, Telangana.

4. Errabelly Hanumantha Rao, S/o. Errabelly Narsinga Rao,  
Aged about 53 years, R/o.H.No. q no b 10/73, pts,  
Jyothinagar Ramagundam, ntpc, Somanapalle,  
A.P. Colony, Karimnagar, Telangana.

5. Venkata Satya Ganeshwara Rama Kumar Batchu,  
S/o. Kasi Viswanadham, Aged about 48 years,  
R/o.Flat.no. b-203, Bhavya's Anandam Nizampet Road,  
Nizampet Rangareddy, Telangana.

6. Katukuri Ramana Reddy, S/o. Katukuri Sudheer Reddy,  
Aged about 63 years, R/o. Villa no.38, Vajram Aster Homes,  
Tellapur Road, Near My Home Sayuk, Gopanpally,  
Nalagandla, R.R.Dist, Telangana.

7. Chilukuri Upender, S/o. Chilukuri Kumaraswamy,  
Aged about 63 years, R/o. 5-6-163/4/5/1/A/1,  
Krishna Nagar, NTPC, Ramagundam, Somanapalle,  
Karimnagar, Telangana.

8. Vamsi Kiran Gaddam, S/o. Surya Narayana,  
Aged about 50 years, R/o. Flat No.403, Vamsi Sadan Apartments,  
Sri Ram Nagar Colony B, Kondapur, Serilingampally, K.V. Rangareddy.

9. E.Venkateswara Prasad, Aged about 56 years,

R/o.H.No. MIG-2215, BHEL Township, 3rd batch,  
Serilingampally, Nalagandla, K.V. Rangareddy, Telangana.

10.Neerumalla Vamshi Krishna, S/o.N. Venkanna,  
Aged about 38 years, R/o. Flat no.405, Adhira Enclave,  
Road No. 10x, Bandari Layot, Nizampet Village,  
R.R Dist Telangana.

11.Nageswara Rao Dande, S/o. Radha Krishna Murthy Dande,  
Aged about 49 years, R/o.H.No. MIG-I-II-704A,  
Venkata Sai Homes Flat No. 107, 1st and 2nd Phase,  
back side Bhuvan Vijaya Community Hall, KPHB Colony,  
Kukatpally.

12.Srinivas Koleti, Aged about 56 years,  
R/o. QNO C-11/42, PTS NTPC Jyothi Nagar,  
Ramagundam, Peddapalli, Telangana.

13.Dereddy Madan Mohan Reddy, S/o. Dereddy Adi Shesha Reddy,  
Aged about 43 years, R/o.H.No. 2-55, Balapanur, Kurnool,  
Andhra Pradesh, 518112.

14.K.Bharath Kumar, Aged about 45 years, R/o.H.No 5-45,  
KPHB Colony, Kukatapally, Hyderabad.

15.Yeduruvada Veera Bhadra Rao, S/o. Yeduruvada Balakrishna,  
Aged about 56 years, R/o.H.No. 59/1,  
Opp Rajadhani High School, Greenfields, Nizampet,  
K.V. Rangareddy, Hyd.

16.Chakka Sanvv Praveen, S/o. Chakka Kameshwara rao,  
Aged about 45 years, R/o.Flat.no. 302, Luxor heights,  
Alkapoor Colony, Near Shivalayam, Puppalguda,  
Rajendranagar, K.V.Rangareddy, Telangana.

17.Pachika Sammi Reddy, S/o. Adi Reddy,  
Aged about 60 years, R/0.9-200/21/A1, Plot.No-29,  
Road No.4E, Reddys Avenue, Nizampet,  
Medchal-Malkajgiri District, Telangana.

18.Chittineni Nagaraja, S/o. Chittineni Satyanarayana,  
Aged about 40 years, H.No. 1-4-1380, Vinayak Nagar,  
Bodhan, Nizamabad, Telangana.

19.Subrahmanyam V Akkunuri, S/o. A SY Sarma,  
R/o. 12-2 709/65, Navodaya Colony, Gudimalkapur Market,  
Mehdipatnam, Hyd.

20.Police Nanda Kumar Reddy, S/o.P.Govardhan Reddy,  
Aged about 33 years, R/o.Flat.no.401,  
DNR Shilpa Residency, Road No. 19, Shilpa Venture,  
HMT Swarnapuri Colony, Miyapur, R.R Dist.

21.Kattamuri SNVSM Babu, S/o. Ramsubrahmanyam,

Aged about 39 years, R/o.H.No. 5-2-50/A1/6,  
Gollagudem, Amalapuram, A.P.

22.M Ashwin Kumar, S/o. M.Ramesh,  
Aged about 39 years, R/o. 104/C, Gulmohar Park Colony,  
Serilingampally, K.V. Rangareddy Lingampalli, Telangana.

23.Shetpelli Srikanth, S/o. Shetpalli Venkata Ramana,  
Aged about 48 years, R/o.H.no.5-3-6 10/D,  
Vidya Nagar colony, Kamareddy, Nizamabad, Telangana.

24.Lingala Mohan Rao, S/o. L. Jalaiah,  
aged about 61 years, R/o. A-1201, Jewel Heights,  
Kaithalapur, Greenhills road, Madhapur, KPHB-15,  
Kukatpally, Medchal-Malkajgiri Dist.

25.P.Srinivas Rao, S/o.P. Sambaiah,  
Aged about 58 years, R/o.Flat.No. a-808,  
Mayfair Apartments, Ramachandrapuram,  
Tellapur, Sangareddy, Telangana.

26.Murali Krishna Chintapalli, S/o.Brahmanandha Murthy,  
Aged about 62 yeas, R/o. Flat No. B406, Pragati Paradise,  
Pragathinagar, Nizampet, Medchal-Malkajgiri Telangana.

27.Amara Jagadeesh, S/o. Amara Koteswar Rao,  
Aged about 30 years, R/o.H.no. QNO 2010/C, NH 5,  
Government Junior College, BHEL township,  
Ramachandrapuram, Sangareddy, Telangana.

28.Vasala Sowmya, D/o. Vasala srinivas,  
Aged about 33 years, R/o.H.No.9-5-424, Markandeya Nagar,  
Markandeya Temple, Karimnagar, Telangana.

29.Pinnoju Phanindra Chary, P.Malla Chary,  
Aged about 33 years, R/o.Plot No.256, Subhodaya Colony,  
Hayathnagar, R.R Dist.Telangana.

30.Sabyasachi Pradhan, S/o. Kishore Chandra Pradhan,  
Aged about 43 years, R/o.H.no. 8-3-988/11/3/B,  
Flat No. 202 Yashwini Enclave Srinagar Colony,  
Opp Satyasai Nigamam Gate No. 2, Srinagar Colony,  
Khairatabad, Hyd.

31.Korandla Veera Reddy, S/o. Korandla Malla Reddy,  
H.No. 9-200/283, Plot No 283 5B Lane Reddys Avenue,  
Nizampet, Medchal-Malkajgiri, Telangana.

32.Minpuri Rajesh Babu, S/o. Late Anjaiah Minpuri,  
Aged about 46 years, R/o. Flat No. 405, A-Block,  
SBSY avatar Apartments, Beside Bharat Petroleum,  
Ramachandrapuram, Dist Sangareddy.

33.Tudugani. Vijay Kumar, S/o. Tudugani Kalidas,

Aged about 50 years, R/o.H.no 1-9-312/2 to 1-9-312/2A,  
Flat No. C-407, Vaidehi Nivas golden Palms  
Achytha Reddy Marg, Vidya Nagar, Adikmet,  
Musheerabad New Nallakunra, Hyd.

34.Bhavanasi Madhusudhana Rao, Aged about 60 years,  
R/o.F.No.903,S.y.71, Hamptons, Serilingampally,  
Raghavendra Colony, kondapur, R.R. District, Telangana.

35.Bhavanasi Venkata Manjula, W/o.Bhavanasi Madhusudhana Rao,  
Aged about 59 years, R/o.H.No.903, ARK Hamptons,  
kondapur, K.V.Rangareddy, Telangana.

36.Padarthi Siva Phanindra Harish, S/o. Srinivas Pratap Kumar Padarthi,  
Aged about 30 years, R/0.62-19-925,  
Sree Krishna Nagar 2/6,Old Guntur,  
Kothapeta, Andhra Pradesh.

37.Venkannapatrudu Bandaru, S/o. Late B.Akkanna Patrudu,  
Aged about 45 years, R/o. H.No. C5-4 PTS,  
NTPC, Jyothi Nagar, Ramagundam, Somanapalle.

38.Aravind Babu Bhonagiri, S/o. B.Vidya Sagar,  
Aged about 46 years, R/o. Villa 25  
Vasudeva Bloomfield Ecstasy, Tellapur,  
Sangareddy, Telangana.

39.Venkataratnam S P, S/o. Parthasarthy,  
Aged about 48 years, R/o. 2-2-18/20/6,  
Flat No. 301, Goutham Residency, D D colony,  
Near Ahobila Mutt, bagh Amberpet, Amberpet, Hyderabad.

40.Madhukar Pabba, S/o. Vaikuntam Pabba,  
Aged about 47 years, R/o.H.No. 15-2-327,  
Ramesh Nagar, Godavarikhani, Ramagundam,  
Karimnagar, Telangana.

41.Neerumala Nagarathnam, W/o. Chandramoult,  
Aged about 66 years, R/o.H.No. 14-33,  
Near Super Bazar Chowrastha, Indiramarg,  
Huzurabad, Karimnagar, Telangana.

42.Lingamaneni Gangarao, S/o. Lingamaneni Narayana,  
Aged about 68fears, R/o. Flat No. 503, Green Space Residency,  
Road No. 28, Alkapoor Township, Neknampur,  
Manikonda, Puppalguda, Rajendranagar, K.V.Rangareddy.

43.Gadiparthi Anjaneyulu, S/o. Gadiparthi Venkateshwarlu,  
Aged about 54 years, R/o. Opp Pearls inn,  
Flat no. 301, Lakshmi Durga Estates,  
Madinaguda, Miyapur, Hyderabad.

...Complainants

Versus

1. Sahithi Constructions Ltd.  
Represented through its Managing Director,  
Sri Boodati Laxmi narayana and  
Partner Smt.Parvathi Office at PlotNo.1222,  
4th & 5th floor, Road No.35, Jubilee Hills, Hyderabad, Telangana
2. Smt. Pamayyagari Parameshwari,  
R/o. H.No.1-9-278/5/2/2, Balaji Nagar,  
Near Venkateswara Temple, Ramnagar Gundu,  
Hyderabad 500044.
3. Sri.Pamayyagari Ramachander Goud, S/o. Sri. P. ArjunGoud,  
R/o. H.No.6-12, Tellapur-502302
4. Sri. Pamayyagari Pradeep Goud,  
S/o. Sri.P.Pamayyagari Pradeep Goud,  
R/o. H.No.6-12, Tellapur 502302
5. Sri. Pamayyagari Hari Krishna Goud,  
S/o. Sri. (late) Pamayyagari Arjun Goud,  
R/o.H.No.6-11, Tellapur 502302
6. Sri. Pamayyagari Pandu Goud,  
S/o. Sri.(late)P.Gurulingam Goud R/o.H.No.4-29, Tellapur 502302.
7. Sri.Pamayyagari Bhoopal Goud S/o. Sri. P.Pandu Goud,  
R/o.H.No.4-29, Tellapur 502302.
8. Sri. Pamayyagari VenuGoud, S/o. Sri. P. Pandu Goud,  
R/o.Beside Hanuman Temple, Tellapur 502302.
9. Sri. Pamayyagari Karan Goud,  
S/o.Sri.(late)P. Gurulingam Goud, R/o.H.No.4-30, Tellapur 502302
- 10.Sri. Pamayyagari Sridhar Goud S/o.Sri.P.Karan Goud,  
R/o.H.No.4-57/4, Near Pochamma Temple, Tellapur 502302.
- 11.Sri.Pamayyagari Arun Goud S/o.Sri. P.Karan Goud,  
R/o.Hanuman Temple, Tellapur.
- 12.Sri.Pamayyagari Santosh Goud, S/o. Sri.P.Karan Goud,  
R/o.H.No.4-30, Tellapur.
- 13.Sri.Pamayyagari Meghanath Goud,  
S/o.Sri(late) P.NarayanaGoud, R/o.H.No.4-20, Tellapur.
- 14.Sri. Pamayyagari Nishanth Goud S/o.Sri Meghanath Goud,  
R/o.H.No.4-20, Tellapur.
- 15.Sri. Pamayyagari Vishal Goud S/o. Sri Meghanath Goud,  
R/o.H.No.4-20 Beside Hanuman Temple, Tellapur 502302.
- 16.Sri. Pamayyagari Narsing Rao (BabuGoud),

S/o. Sri. (late) P. Venkat Kishtaiah Goud, R/0.9-3/1,  
Ramachandrapuram, Tellapur.

17.Sri.Pamayyagari Harish Goud S/o. Sri. P.Narsing Rao Goud  
R/o.9-3/1,Ramachandrapuram, Tellapur.

18.Sri.Pamayyagari Avinash Goud S/o. Sri. P.Narsing RaoGoud  
R/o.H.No.4-20, Tellapur 502302, Tellapur.

19.Sri.Pamayyagari Surender Goud  
S/o.Sri.(late)P. Venkat Kishtaiah Goud, H.No.4-20, Tellapur.

20.Vinod kedia, S/o.late Banwarlal kedia,  
R/O. H .No-5-9-22/52, Adarsh nagar, Hyderabad-5000463.

21.Sumeet Kumar Kedia, S/O, Vinod Kedia,  
R/O.H.No-5-9-22/52, Adarsh nagar, Hyderabad-5000463.

22.Sri. Nethi Vidya sagar s/o nethi bikshaiah  
R/O. H.no-1-64, cherukupalle village, kethepally mandal,  
Nalgonda-508211

23.Smt. Nethi Kamalamma, W/o Nethi Vidya Sagar,  
R/o H.No - 1-64, cherukupalle Village, Kethepally Mandal,  
Nalgonda- 508211

24.Smt. Nyavanandi Sai Rekha W/o. Nyavanandi Deepak,  
R/o H.No 2-139, Malkoor Mandal, Maanik Bhandar,  
Nizamabad, Telangana-500503

25.Matha Trading Plot No: A-2, Alwyn Colony  
Phase 2, Kukatpally, Hyderabad-500072

26.Jt. Commissioner of Police (Crimes & SIT),  
Central Crime Station Building Old Commissioner Office  
Basheerbagh, Hyderabad, Telangana 500029

27.Inspector of Police/Station House Officer,  
Central Crime Station Central Crime Station Building,  
Old Commissioner Office Basheerbagh, Hyderabad-29

...Respondents

The present matter filed by the Complainants herein came up for hearing on 28.02.2025 before this Authority in the presence of Counsel for Complainants, Patlolla Sudarshan Reddy and Sri Prahallad Reddy, Counsel for the Respondent Nos.20 & 21, Sri Shyam S. Aggarwal, Counsel for Respondent Nos.22, 23 & 24, Sri M. Rajender Reddy & Sri S.U. Khan and none for the remaining Respondents, and after hearing the arguments, this Authority passes the following **ORDER**:

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

**Brief facts of the case:**

3. The Complainants submitted that the landowners i.e., Respondent Nos.2 to 19, to develop their respective lands parcels in to gated community consisting of residential apartment / amenities/ structures for common usage, have approached the developer, i.e., Respondent No.1 herein and agreed to give for development of their respective extents i.e., Ac. 1-24.50 Guntas equivalent to 7804.50 Sq.vds vide DAGPA No. 36564 of 2019 pertaining to Respondent Nos.2 to 15 and Ac.0-21.50 Gts., equivalent to 2601 50 Sq.vds, executed vide DAGPA No.6966 of 2020 pertaining to Respondent Nos.16 to 19. Thus total to an extent of Acs.2-16 Gts., equivalent to 10406 Sq.yds situated at Tellapur Village, Ramachandrapuram Mandal, Ranga Reddy District, registered with the Office of District-Registrar, Medak at Sanga Reddy was given for development to Respondent No.1 by Respondent Nos.2 to 19. The said Development Agreements also contain the units fallen to each of their share and the both the parties are absolutely entitled to deal with their respective extent of units.

4. The Complainants stated that Respondent No.1 along with Respondent Nos.2 to 19 executed the following with the Complainants herein:

S.No.	Name of the Complainant	Flat No.	Extent (size)	Amount paid	Doc. type	Doc. date
1.	Hari Prasad Peddi	514	1655 sq. feet, with 38 sq. yards	39,72,000/-	AoS	16/09/2019
2.	Vineet Kumar Goyal and his wife Bhawna Goyal	1504	2038 sq. feet, with 46 sq. yards	35,39,600/-	Regd. Sale Deed bearing Doc. No.3015 of 2022	27/01/2022
3.	Kasam Kishan	804	2038 sq. feet, with 47 sq. yards	50,44,050/-	AoS	12/04/2022
4.	Errabelly Hanumantha Rao	910	2099 sq. feet, with 48 sq. yards	54,57,400/-	AoS	21/11/2019

5.	Venkata Satya Ganeshwara Rama Kumar Batchu	416	1841 sq.feet, with 42 sq yards	47,86,600/-	AoS	14/08/2019
6.	Katukuri Ramana Reddy	602	1582 sq. feet, with 36 sq. yards	37,96,800/-	AoS	12/09/2020
7.	Chilukuri Upender	612	1783 sq. feet, with 41 sq.yards	43.23,775/-	AoS	18/11/2019
8.	Donepudi Pratyusha	409	1582 sq. feet, with 36 sq. yards	35,55,400/-	Regd. Sale Deed bearing Doc. No. 23549 of 2022	30/06/2022
9.	E. Venkateswara Prasad	210	2099 sq. feet	54,57,400/- .	Receipt	18/07/2019, 21-09-2019
10.	Neerumalla Vamshi Krishna	915	1655 sq. feet, with 38 sq. yards	39,72,000/-	AoS	1/10/2019
11.	Nageshwara Rao Dande	614	1655 sq. feet, with 38 sq. yards	41,78,875/-	AoS	26/09/2019
12.	Srinivas Koleti	313	1655 sq.feet, with 38 sq.yards	41,00,000/-	AoS	20/02/2020
13.	Dereddy Madan Mohan Reddy	410	2099 sq.feet, with 48 sq. yards	56,67,300/-	AoS	14/08/2019
14.	K. Bharath Kumar	315	1655 sq. feet, with 38 sq.yards	43,03,000/-	AoS	18/10/2021
15.	Y. Sharada Yasasvi	111	1655 sq.feet, with 38 sq.yards	54,57,400/-	AoS	01/10/2019
16.	Chakka Sanvv Praveen	712	1783 sq.feet, with 41 sq.yards	47,24,950/-	AoS	16/09/2019
17.	Pachika Sammi Reddy	808	1585 sq. feet, with 36 sq.yards	31,45,500/-	AoS	07/09/2020



18.	Chittineni Nagaraja	613	1655 sq.feet, with 38 sq.yards	43,03,000/-	AoS	25/09/2019
19.	Subrahmanyam V Akkunuri	609	1585 sq.feet, with 36 sq.yards	41,60,625/-	AoS	16/11/2019
20.	Police Nanda Kumar Reddy	1008	1585 sq.feet, with 36 sq.yards	43,27,050/-	AoS	09/10/2019
21.	Kattamuri SNVSM Babu	1405	1582 sq.feet, with 36 sq. vards	67,07,100/-	AoS	26/08/2021
22.	Ashwin Kumar	1113	1655 sq.feet, with 48 sq.vards	49,65,000/-	AoS	21/09/2019
23.	Shetpelli Srikanth	1007	1221 sq.feet, with 28 sq.yards	40,00,000/-	AoS	26/01/2021
24.	Lingala Mohan Rao	306	1585 sq.feet, with 36 sq.yards	50,72,000/-	AoS	12/10/2020
25.	P.Srinivas Rao	813	1655 sq.feet, with 38 sq.yards	42,61,625/-	AoS	24/07/2022
26.	Murali Krishna Chintapalli	1002	1582 sq.feet, with 36 sq.yards	39,15,000/-	AoS	14/02/2020
27.	Amara Jagadeesh	114	1655 sq.feet, with 37 sq.yards	43,03,000/-	AoS	25/09/2019
28.	Vasala Sowmya	301	2109 sq.feet, with 48 sq.yards	67,48,800/-	AoS	17/12/2020
29.	Pinnoju Phanindra Chary	213	1655 sq.feet, with 38 sq.yards	52,13,250/-	AoS	20/01/2021
30.	Sabyasachi Pradhan	1210	2099 sq.feet, with 48 sq.yards	67,00,000/-	AoS	13/02/2020
31.	Korandla Veera Reddy	906	1585 sq.feet,	40,50,000/-	AoS	20/20/2020

			with 36 sq.yards			
32.	Minpuri Rajesh Babu	1513	1655 sq.feet, with 38 sq.yards	15,97,903/-	AoS	01/01/2021
33.	Tudugani Vijay Kumar and Tudugani Namratha	403	2001 sq.feet, with 46 sq. yards	44,77,200/-	Regd. Sale Deed bearing Doc. No.3015 of 2022	20/06/2022
34.	Padarthi Siva Phanindra Harish and Padma Sravani Bhavanasi	1310	2097 sq.feet, with 48 sq yards	31,39,680/-	AoS	07/09/2021
35.	Bhavanasi Venkata Manjula and B.Madhusudhana Rao	1103	2001 sq.feet, with 46 sq yards	83,04,000/-	AoS	08/10/2021
36.	Venkannapatrudu Bandaru	706	1585 sq. feet, with 36 sq.yards	38,00,000/-	AoS	20/02/2020
37.	Aravind Babu Bhonagiri	1305	1585 sq.feet, with 36 sq.yards	47,55,000/-	AoS	06/01/2021
38.	Venkataratnam S P and others	710	2099 sq.feet, with 48 sq yards	62,97,000/-	AoS	01/01/2021
39.	Madhukar Pabba	1308	1585 sq.feet, with 36 sq.yards	47,55,000/-	AoS	06/01/2021
40.	Neerumala Nagarathnam	1006	1585 sq.feet, with 36 sq.yards	38,04,000/-	AoS	03/10/2019
41.	Lingamaneni Gangarao	1516	1848 sq.feet, with 42 sq.yards	77,19,600/-	AoS	14/10/2021
42.	Saritha Koganti	510	2099 sq.feet, with 48 sq.yards	54,57,400/-	AoS	21/09/2019

5. The Complainants further submitted that Respondent No.1 was indulging in fraudulent activities and cheated the Complainants along with other allottees in other projects and accordingly, various cases were filed against Respondent No.1 before

Respondent Nos.26 & 27 and the properties relating to all projects were attached in accordance with the provisions under the Telangana Protection of Depositors of Financial Establishments Act, 1999 and the Chairperson of Respondent No.1 Company got arrested.

6. Complainants further submitted that Respondent No.1 obtained finance from the Respondents No.20 to 25 and the cases registered before the Respondent No. 26 and 27 as such they have been made as parties to the above petition.

7. Finally, the Complainants submitted that they are genuine purchasers and obtained the sale agreements, regd. sale deeds by the Respondent No.1 & Respondent Nos.2 to 19, however, Respondent No.1 failed to commence construction and handover the respective flats to the allottees, neither did Respondent No.1 refund the amounts paid by the Complainants.

**Reliefs prayed for:**

10. Aggrieved by the actions of the Respondent No.1, the Complainants sought for the following relief(s):

- a. *Give a direction to the Respondents/ Builders/Landlords to complete the project and hand over to the petitioners.*
- b. *If fails to complete the project direct the Respondents/ Builders/Landlords to return the amounts along with interest @24% P.A.*
- c. *To award Compensation/ Damages.*
- d. *To pass such other relief or reliefs that the authority deems fit and proper in the circumstances of the case in the interest of justice.*

**Directions seeking refund:**

11. Out of the Complainants mentioned above, following Complainants filed an Affidavit seeking refund of amounts paid by them which have been duly taken on record:

1. Dereddy Madan Mohan Reddy – Complainant No.13
2. Vamshi Krishna Neermalla – Complainant No.10
3. Chakka Sanvv Praveen – Complainant No.16
4. Venkannapatrudu Bandaru – Complainant No.37
5. Chittineni Nagaraja – Complainant No.18
6. E. Venkateswara Prasad – Complainant No.9
7. Murali Krishna Chintapalli – Complainant No.26
8. Nageswara Rao Dande – Complainant No.11
9. Sabyasachi Pradhan – Complainant No.30
10. Lingamaneni Gangarao – Complainant No.42
11. Minpuri Rajesh Babu – Complainant No.32
12. K. Ramana Reddy – Complainant No.6
13. Venkata Satya Ganeshwara Rama Kumar Batchu – Complainant No.5

14. Kasam Kishan – Complainant No.3
15. Vasala Sowmya – Complainant No.28
16. Korandla Veera Reddy – Complainant No.31
17. Srinivas Koleti – Complainant No.12
18. Pachika Sammi Reddy – Complainant No.17

**Counter on behalf of the Respondents:**

**Respondent No.1**

12. None appeared on behalf of the Respondent No.1 builder despite service of notice, and therefore, he was set *ex-parte* vide Order dated 17.10.2024.

**Respondent Nos.2 to 19**

13. None appeared on behalf of the Respondent Nos. 2 to 19 despite service of notice, and therefore, they were set *ex-parte* vide Order dated 17.10.2024.

**Respondent No.20 & 21**

14. Respondent Nos.20 & 21 filed reply and submitted that the claim stated to have been made under Section 31(1) of the Act, 2016, praying to (a) give a direction to the Respondents/Builders/Landlords to complete the project and handover to the petitioners, and (b) if fails to complete project direct the respondents / Builders / Landlords to return the amounts along with interest @24% p.a. and other reliefs in respect of schedule property of land admeasuring acres 1-24.5 guntas equivalent to 7,804.50 square yards and acres 0-21.5 guntas equivalent to 2,601.50 square yards, total admeasuring acres 2-16 guntas equivalent to 10,406 square yards, situated at Tellapur village, Ramachandrapuram mandal, Ranga Reddy district, is not maintainable either on facts or in law and the same is liable to be dismissed.

15. It was further submitted that Complainants are guilty of suppression and misrepresentation of the facts. That as per the copy of complaint, only the counsel has signed the complaint and not the complainants and that the Complaint is prepared in a mechanical manner without furnishing proper information and without complying with requirements thereof. That even the statements made in the Complaint are vague, do not furnish proper, required and complete information in regard to alleged dispute and that for the said reason, present complaint is liable to be dismissed.

16. It was further submitted that Respondent Nos.20 & 21 are the victims of the acts of Respondent No.1 developer and that they are the purchasers of flats in the proposed project wherein they stand at the same footing that of the Complainants, but, they have

been mischievously mis-described and termed as financiers thereby damaging their name and reputation and causing harm to them in several aspects.

17. Respondent Nos.20 & 21 further submitted that the complaint is silent as to on what basis the Complainants have branded these Respondents as financiers. Neither any information is furnished in the complaint nor any source of such alleged information is given. They submitted that no relief has been sought for by the Complainants against Respondent Nos.20 & 21 in the present complaint and except making vague and absurd statements that the Complainants came to know that the Respondent No.1 obtained finance from the Respondent Nos.20 to 25 and that as such they are made parties to the Complaint, no proper and required details thereof are given in the complaint, making the very petition defective and improper.

18. Further, such vague information provided by the Complainants is not sufficient to array Respondent Nos.20 & 21 as the parties, without there being any grievance of the Complainants against the said Respondents and nor any relief is sought against them.

19. Respondent Nos.20 & 21 submitted that they purchased the flat Nos.315, 605, 609, 613, 614, 702, 710, 811, 812, 905, 906, 909, 915, 1005, 1006, 1008, 1013, 1108 & 1109 and 608, 611, 612, 708, 808, 810, 816, 912, 916, 1004, 1016 & 1111, in Sahithi's Nirupama project, situated at Tellapur village, Ramachandrapuram, Sangareddy by paying valid sale consideration thereof.

20. Submitting that there are no merits in the complaint and no relief is prayed against Respondent Nos.20 & 21, they prayed to dismiss the complaint.

#### **Respondent Nos.22 to 24**

21. Respondent Nos.22 to 24 also filed a reply duly submitting that the complaint is not maintainable. They submitted that Respondent Nos.22 to 24 are not aware about the alleged purchase of their respective flats under unregistered agreements of sale from the Respondent No.1.

21. As the Complainants have not levelled any allegations against them, they submitted that they are not necessary parties to the present complaint.

22. It was further submitted that the allegation that Respondent Nos.22 to 24 have financed Respondent No.1/Promoter and the cases registered before Respondent Nos. 26 and 27 as such they are made as parties to the complaint, is false. That there is no nexus

between Respondent Nos.22 to 24 and Respondent No.1 and that the Complainants have not filed any material document to prove their case against Respondent Nos. 22 to 24. They added that Respondent Nos.22 to 24 are not parties to the alleged unregistered agreements of sale between the Respondent No.1 and Complainants. Further, there is no contractual relationship between the Complainants and Respondent Nos. 22 to 24.

23. It was further submitted that Respondent Nos.22 to 24 purchased flats under registered agreements of sale cum GPA from the Respondent No.1, which are as follows:

<b>Respondent No.</b>	<b>Flat No.</b>	<b>Document No. &amp; date</b>
Respondent No.22	1315	45699/2021, 15.12.2021
	1501	45708/2021, 15.12.2021
	1409	45695/2021, 15.12.2021
	1513	45688/2021, 15.12.2021
	1514	45686/2021, 15.12.2021
Respondent No.23	1313	45702/2021, 15.12.2021
	1213	45692/2021, 15.12.2021
	1308	45698/2021, 15.12.2021
	1305	45693/2021, 15.12.2021
Respondent No.24	1214	45704/2021, 15.12.2021
	1014	45703/2021, 15.12.2021
	1112	45701/2021, 15.12.2021
	0114	45700/2021, 15.12.2021
	1207	45697/2021, 15.12.2021
	0103	45705/2021, 15.12.2021
	0111	45707/2021, 15.12.2021
	0903	45706/2021, 15.12.2021
	0112	45709/2021, 15.12.2021
	1314	45696/2021, 15.12.2021
	0805	45694/2021, 15.12.2021
	1116	45691/2021, 15.12.2021
	1405	45690/2021, 15.12.2021
	1209	45689/2021, 15.12.2021
	1516	45687/2021, 15.12.2021

24. It was further submitted that Respondent Nos.22 to 24 paid considerable amounts under the above agreements of sale cum GPAs to the Respondent No.1 and also agreed to pay the balance sale consideration on the date of execution of registered sale deed. Respondent Nos.22 to 24 also similarly situated persons like the Complainants and waiting for their occupation/possession in respect of their flats respectively.

25. It was submitted that the Complainants have no claim against the Respondent Nos.22 to 24 and no relief is also sought against them and therefore, no relief can be granted against Respondent Nos.22 to 24, hence the complaint is liable to be dismissed against Respondent Nos.22 to 24.



**Respondent No.25**

26. Respondent No.25 also submitted a reply submitting that registered sale deeds with Respondent No.1 were entered vide Sale Deed No.8305/2021, 8306/2021, 8307/2021 towards purchase of Flat No.1103 on 11th Floor, admeasuring 1874 Sq. ft in Sahiti-Nirupama's residential complex together with undivided share of land equivalent to 43 Sq. yds out of 10406 Sq. yds, Flat No.110 on 11th Floor, together with undivided share of land equivalent to 48 Sq. yds out of 10406 Sq. yds, Flat No.1416 on 14th Floor, together with undivided share of land equivalent to 42 Sq. yds out of 10406 Sq. yds respectively.

27. It was further submitted that Respondent No.1 along with landowners i.e.. Respondent Nos. 2 to 19 executed the above-mentioned registered sale deeds in favour of Respondent No.25 and the said transaction was legitimate along with exchange of amounts as mentioned in the sale deeds.

28. It was submitted that Respondent No.25 does not have any knowledge of transactions entered by Respondent No.1 with the Complainants herein. Neither is Respondent No.25 party to the said transactions as is evident from the agreements of sale filed by Complainants, nor does he have any knowledge of Respondent No.1 executing such transactions with the Complainants. As such Respondent No.25 is not privy to the alleged transactions executed between the Complainants and the Respondent No.1.

29. It was accordingly submitted that Respondent No.25 is not a proper and necessary party to the present litigation moreso because there is, admittedly, no relief prayed against Respondent No.25 by the Complainants and therefore, it was prayed to dismiss the complaint.

**Respondent Nos.26 & 27**

30. In the batch of matters that were filed by the allottees in the Project – Sahiti Nirupama, Respondent Nos.26 & 27 filed a reply highlighting numerous complaints against Boodati Laxminarayana, Managing Director of Respondent No.1 Company. The complaints alleged that Mr. Laxminarayana, through social media, advertised pre-launch offers from June 2019 onwards, collecting substantial sums from the complainant and other customers without securing the necessary land acquisitions and permissions. Despite repeated requests for refunds, the company continuously extended deadlines

and eventually ceased responding to customers, leading to the lodging of these complaints.

31. It was further submitted that during the early stages of the investigation, previous Investigating Officers arrested A-1 Boodati Laxminarayana, A-2 Parvathi (his wife), and A-3 Sathwik, following searches of their offices and residences, where material evidence was seized. He, along with his marketing director, initiated pre-launch sales, collecting approximately ₹103 Crores. Further investigations revealed that he expanded these activities, launching 12 additional projects in Hyderabad and surrounding areas, collecting about ₹1,290 Crores from 3,000 customers and defaulting on these obligations, notably in the Sarvani Elite project.

32. They also submitted that they have identified and attached the properties of the accused, including lands purportedly involved in these fraudulent activities. A total of 60 cases have been registered against all Sahiti projects. The Respondents conducted searches on several individuals' homes and offices, seizing incriminating material and ₹25 Lakhs in cash. Bank transactions are being scrutinized with forensic auditors to trace the funds. Finally, that the investigation had reached an advanced stage, with a charge sheet expected to be filed imminently.

**Points for consideration:**

33. After deliberating upon the contentions of the parties and the documents filed by them, the following issues sprout for consideration:

- I. Whether the Respondent No.1 Developer has failed to perform its obligations under the Act and thereby violated the provisions of the Act, 2016?
- II. Whether Respondent Nos.2 to 25 are have failed to perform its obligations under the Act and thereby violated the provisions of the Act, 2016?
- III. Whether the Complainants are entitled to the relief(s) as prayed for? If yes, to what extent?

**Observations of the Authority:**

34. Before going into the discussion, it is pertinent to note that the Complainants, along with other allottees in the project formed "Nirupama Welfare Association" registered vide Registration No.844 of 2022 represented through Sri Peddi Hari Prasad as President, amongst other members.

**Point I**

35. As this Authority was in receipt of number of complaints against Respondent No.1 with respect to this Project – Sahiti Nirupama, this Authority entrusted the task of conducting a comprehensive evaluation of the Project to an investigating body being the Engineering Staff College of India (“ESCI”), so as to facilitate collecting such relevant information as regards the Project for proper adjudication of the present dispute. The investigative body submitted a Technical & Financial Report dated 18.12.2023. In the Technical Report, following information could be gathered:

- a. Respondent Nos.2 to 19 are owners of the immovable property in vacant land to an extent of Ac.0-10.75 gts and Ac.0-10.75 gts respectively totalling to Ac.0-21.50 gts equivalent to 2601.50 sq yds in Sy. Nos. 8/E1, 8/E2, 8/A, 8/A2 of Tellapur Village, Ramachandrapuram Mandal, Sangareddy District, Telangana State and also owners of the immovable property in vacant land in an extent of Ac.1-24.50 guntas equivalent to 7804.50 sq yds in Survey Nos. Nos.8/AA, 8/EE, 8/E, 8/E1, 8/E2, 8/A, 8/A2 of Tellapur Village, Ramachandrapuram Mandal, Sangareddy District, Telangana State. Therefore, total extent of the land being 10,406 sq yds being Ac.2.15 guntas.
- b. Respondent No.1 Builder entered into a Development Agreement Cum Irrevocable General Power of Attorney on 12.08.2019 vide Document No.36564/2019 at SRO, Sangareddy with Respondent Nos.6 to 19 and vide Document No.6966/2020 dated 11.02.2019 with Respondent Nos.2 to 5 (hereinafter referred to as the “Development Agreements”). In the said Development Agreements, the Respondent No.1 has agreed to construct a multi-storeyed residential apartments complex which includes 02 Cellars + 01 stilt floor for parking space, with 15 (fifteen) upper floors & amenities. It was also agreed that the sharing ratio amongst the parties shall be 45%: 55% (45% to the landowner and 55% to the developer). Therefore, a total of 76 flats comprising of 1,28,220 Sq. ft. (One Lakh Twenty-Eight Thousand Two Hundred and Twenty Only) and 26 flats comprising of 43,026 Sq.Ft. (forty-three thousand and twenty-six) were falling in the share of the landowners i.e., Respondent Nos.6 to 19 and Respondent Nos.2 to 5 respectively, and the remaining in the share of the Respondent No.1 Builder.
- c. That it was also agreed between the parties to the said Development Agreements that the Respondent No.1 shall obtain required permissions/plans and approvals from the concerned authorities and further that the Respondent No.1 shall complete the development and construction on the Project Land in 36 (Thirty-Six) months with a subsequent grace period of 06 (Six) months from the date of sanction of the final approved plan by the competent authorities. In this regard,

it is pertinent to note that the Respondent No.1 Developer agreed that in the event of delay, the developer shall pay delay charged, a sum equivalent to Rs.4 (Rupees Four Only) per Sft per month that fell to the share of the landowners subject to applicable IT TDS from time to time.

- d. Accordingly, pursuant to this Agreement, the Respondent No.1 Developer executed several unregistered and registered deeds, as submitted by the Complainant Association from 2019 onwards. In the interim, the Respondent No.1 Developer also applied for HMDA permission on 30.03.2020 vide Application No. 035702/SKP/R1/U6/HMDA/30032020. Thereafter, HMDA technical approval was accorded on 17.05.2021 for 2 Cellar + 1Stilt + 15 Upper floors in Survey No. 8/AA,8/EE,8/A,8/A2, 8/E,8/E1,8/E2, of Tellapur Village, Tellapur Municipality Mandal, Sanga Reddy District to an extent of land of 8,649.56 Sq. Mts. Comprising of 16 flats in each floor totalling to 240 [235 +5(amenities)] flats. Therefore, a total of 240 flats were to be constructed out of which, 102 (76 +26) fell to the share of the landowners i.e., the Respondent Nos.2 to 19, and remaining 138 flats to the share of the Respondent No.1 Developer.
- e. By virtue of the above-mentioned Development Agreement dated 12.08.2019, the Respondent No.1 entered into 157 transactions with the Complainants.
- f. Consequently, the Project was registered under TS RERA vide registration No. P01100003433 dated 24.09.2021 which is valid upto 31.05.2026.
- g. It was also submitted that the present stage of work assessed is 16% of the total work.
- h. The competent authority under the Telangana Protection of Depositors from Financial Establishments Act, 1999 attached the land after receipt of several complaints from the allottees/homebuyers in accordance with Section 3 of the said Act, 1999 vide G.O.Ms No.1387 dated 12.07.2023.

36. It is clear from these findings that the despite having obtained permission from competent authority and registration from this Authority, construction could not be concluded within the stipulated timeframe as committed in the respective Agreements of Sale as well as competent authority permission and RERA registration.

37. As per the submission of the Complainants, Respondent No.1 was arrested by the competent authorities under Telangana Protection of Depositors from Financial Establishments Act, 1999, and has not been able to conduct any business on account of the attachment and the arrests. In such circumstances, it is not expected, neither is it probable for the Respondent No.1 to complete the construction of the Project “Sahiti Nirupama” and thereby comply with the provisions of the Act, 2016 more specifically

Section 11(4) which provides the duties of the promoter. Observing the series of events taken place with the Respondent No.1 Builder in this project as well as other projects which this Authority has taken cognizance of, it is manifest that the Respondent No.1 Builder never intended to construct or handover any flats to the allottees but merely siphoned monies for defrauding the innocent allottees who invested their life savings in the said Project. Additionally, despite the validity of the RERA Registration extending until 31.05.2026, it is implausible that the Respondent Developer will accomplish the construction within this specified timeframe.

38. Section 11 (4) of the Act, 2016 obligates the Developer to be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, till the conveyance of all the apartments. It also obligates the Developer to be responsible to obtain the completion certificate, to obtain the lease certificate, for providing and maintaining the essential services, on reasonable charges, till the taking over of the maintenance of the project by the association of the allottees, enable the formation of an association or society or co-operative society, execute a registered conveyance deed of the apartment in favour of the allottee along with the undivided proportionate title in the common areas to the association of allottees, etc, which the Respondent No.1 Developer has failed to do. Looking at the progress of the construction and the stage at which the development of the Project is proceeding, this Authority has no faith in the Respondent No.1 Builder.

39. Further, Section 14(1) of the Act, 2016 puts on obligation on Respondent No.1 Builder to complete the project. Section 14(1) stipulates that *“the proposed project shall be developed and completed by the promoter in accordance with the sanctioned plans, layout plans and specifications as approved by the competent authorities.”* Clearly, despite having the permission from competent authority & registration for this Authority, due to reasons unknown, Respondent No.1 failed to commence and complete the construction in accordance with the sanctioned plan thereby violating Section 14(1) of the Act, 2016.

40. The Respondent No.1 is also in violation of the **Rule 14(1)(c)** of the Rules, 2017 that obligate the promoter to file quarterly reports of the construction along with photographs, list of number and types of apartments offered for sale, etc. In lieu thereof, for not having complied the functions and duties of the promoter under the Act, this Authority deems it fit to keep in abeyance, the registration granted to the Respondent No.1 Builder in respect of the Project – Sahiti Nirupama bearing Regn. No.P01100003433 dated 24.09.2021. Further the Respondent is directed not to advertise, market, book,



sell or offer for sale, or invite any person to purchase in any manner. The Secretary of TG RERA is directed to block access to the said project's RERA Registered number, and the operative part of the order shall be displayed on the webpage associated with the project's RERA Registered number. Point I is answered in affirmative.

## **Point II**

41. Respondent Nos.2 to 19, despite service of notice, failed to appear and failed to file a reply as mentioned above. Whereas, Respondent Nos.20 to 25 filed their respective replies, and preliminarily submitted that they entered into legitimate transactions with Respondent No.1 and that they do not have any knowledge of the transactions which Respondent No.1 has entered with the Complainants/allottees. Further, that no specific relief has been prayed against them and hence, the complaint be dismissed against them. This Authority has perused the material on record. Admittedly, Respondent No.1 entered into registered sale deeds with Respondent Nos.20 & 21 and also registered agreement of sale with Respondent Nos.22 to 24 and registered mortgage deeds with Respondent No.25. It is these Respondents' submission that they are equally victim to the actions of the Respondent No.1 as that of the Complainants as Respondent No.1 has abandoned the project and now that Respondent No.1 is embroiled in so many criminal cases, even the land that belonged to Respondent Nos.20 & 21 by way of registered sale deed, has been under attachment by the competent authorities under the Telangana Protection of Depositors from Financial Establishments Act, 2016.

42. This Authority notes that the Complainants have not sought any specific relief against Respondent Nos. 2 to 25. Furthermore, Respondent Nos. 20 to 25, as evidenced by their submissions, had a legitimate right or entered into a bona fide transaction with Respondent No. 1 through duly registered documents. In the considered opinion of this Authority, in the absence of any specific relief claimed against Respondent Nos. 20 to 25 and in the absence of any cogent material presented by the Complainants to substantiate a case against them, no liability can be imputed to Respondent Nos. 20 to 25.

43. However, with respect to Respondent Nos.2 to 19, admittedly, they are landowners to the Project. The definition of a Promoter under Section 2(zk) is extracted as under:

“(zk)	“promoter”	means,—
<i>(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</i>		
<i>(ii) a person who develops land into a project, whether or not the person also</i>		



*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;*

44. A plain and literal interpretation of this definition would encompass a landowner within the ambit of a promoter, as it includes any person who undertakes construction or causes construction to be undertaken. In light of Respondent Nos. 2 to 19 having executed a development agreement in favor of Respondent No. 1, it is the considered opinion of this Authority that the said landowners have, by such execution, effectively caused the construction of the project in question.

45. This Authority has also taken note of the Order passed by the Hon'ble High Court of Bombay in *Wadhwa Group Housing Pvt. Ltd. vs. Vijay Choksi & Anr. (Second Appeal*

No.21842/2023) reported in 2024 SCC OnLine Bom 660, in which, it is categorically held as under:

17.

....Thus, definition of the term “Promoter” under Section 2(zk) of RERA is wide enough to include every person who is associated with construction of the building such as builder, coloniser, contractor, developer, estate developer or by any other name or even the one who claims to be acting as the holder of a power of attorney from the owner of the land. One of the principal objectives of RERA is to bring transparency in real estate sector and to protect the interests of the consumers in the real estate project. The term ‘Promoter’ has been so widely defined that it virtually includes every person associated with construction of the building. Thus, even a person who is merely an investor in the project alongwith the Promoter and who is entitled to benefit in the real estate project is also covered by definition of the term ‘Promoter’. In the present case, I need not delve deeper into the enquiry as to whether Appellant is covered by the expression ‘Promoter’ or not. While registering the project as ongoing project under Section 3 of the RERA, Appellant’s name has been included in the list of Promoters. Therefore, Appellant cannot run away from the fact that it is the promoter in respect of the project ‘The Nest’. Explanation to Section 2(zk) makes all persons who construct or convert building into apartments or develop a plot for sale, as well as a person who sells apartments or plots to be promoters making them jointly liable as such for the functions and responsibilities specified under the Act, or the Rules and Regulations made thereunder. **Thus, a person who does not actually construct or causes to be constructed a building but merely takes part in the joint venture and sells flats, becomes a Promoter.** Appellant admits that it is entitled to a share in the joint venture in the constructed area, which it is entitled to sell. Thus, the Appellant is entitled to sell flats in the project and accept consideration for such sale. There is therefore no doubt to the position that, both Appellant as well as the second Respondent are Promoters and are jointly liable in respect of the responsibilities under the RERA and Rules and Regulations made thereunder.

18. In my view therefore, mere falling of flat in the share of the second Respondent under the Joint Development Agreement, would not excuse the Appellant from the responsibilities and liabilities under the RERA, Rules and Regulations made thereunder qua that flat. RERA does not demarcate or

restrict liabilities of different promoters in different areas. The liability is joint for all purposes under the Act, Rules and Regulations.

...

23. Thus, under Section 18(1)(b), the liability to return the amount received from the flat purchaser is on the Promoter. Since the Appellant is covered by definition of the term 'Promoter', it is also jointly liable to refund the amount along with the other promoter, being the second Respondent. Section 18 cannot be narrowly interpreted as sought to be suggested by Mr. Engineer, to include only that promoter who actually received the amount. The objective behind enactment of RERA must be borne in mind. If such narrow interpretation of Section 18 is accepted, it would give a license to developers to deliberately accept payments in the accounts of one of the promoters and then escape the liability to refund or to pay interest by taking a specious plea that the other promoters are not liable in respect of those payments. Mr. Engineer has sought to draw distinction between projects launched before and after coming into force of RERA by submitting that now the monies must be received in the registered account, which was not the case before registration under RERA. To my mind, this distinction sought to be made cannot be a ruse to escape the liabilities as promoter under RERA. The Act applies even to ongoing projects and therefore the account in which monies are received by promoters is irrelevant for the purpose of determining joint liability of promoters under Section 18.

24. The Appellant's contention about absence of privity of contract between it and the Complainant is totally misplaced. Definition of the term 'promoter' under Section 2(zk) of the RERA would indicate that even persons/entities with whom a flat purchaser does not enter into contract are also covered by definition of the term 'promoter'. Therefore, it is not necessary that there has to be an agreement between every Promoter and the flat purchaser. As observed above, it is a matter of indoor management between the Promoters and the flat purchaser who is not supposed to know the intricacies of the arrangements made between several promoters amongst themselves. When a claim is raised in respect of a real estate project by a flat purchaser, all promoters become jointly liable qua that flat purchasers, irrespective of whether there is privity of contract with each of the promoter or not. This is the scheme of RERA and mere absence of privity of contract with a particular promoter does not relieve such promoter in respect of the liabilities under RERA. 25. I am therefore of the view that Appellant cannot escape the

*liability to refund the amount received towards sale of flat to Respondent No. 1.”*

46. A meticulous examination of the judgment rendered by the Hon'ble High Court of Bombay unequivocally establishes that the landowners, i.e., Respondent Nos. 2 to 19 herein, fall within the definition of a "Promoter" and are consequently equally responsible for the discharge of their obligations under the Act, 2016. In this context, it is further observed that the agreements for sale produced by the Complainants explicitly indicate that Respondent Nos. 2 to 19 were parties to the sale transactions of the flats effected by Respondent No. 1. Moreover, by virtue of the Development Agreement dated 12.08.2019, registered as Document No. 36564/2019 at the Sub-Registrar's Office, Sangareddy, executed with Respondent Nos. 6 to 19, and the Development Agreement dated 11.02.2019, registered as Document No. 6966/2020, executed with Respondent Nos. 2 to 5, it is evident that 76 flats, aggregating to 1,28,220 sq. ft., and 26 flats, aggregating to 43,026 sq. ft., were allocated to the share of the landowners, namely Respondent Nos. 6 to 19 and Respondent Nos. 2 to 5, respectively. Accordingly, Respondent Nos. 2 to 19 squarely fall within the definition of a "Promoter" under the Act, 2016, and therefore, cannot evade their statutory liability towards the Complainants/allottees, notwithstanding the fact that they may not have received any sale consideration, as opined in the judgment above.

47. Therefore, Point II is answered accordingly, and Respondent No.2 to 19 are jointly and severally liable as promoters under the provisions of the Act, 2016 whereas, no liability accrues to Respondent Nos.20 to 25.

### **Point III**

48. As can be seen in Para No.11 above, some of the Complainants sought for refund of their amounts as paid to the Respondent No.1 which can be evidenced from their respective agreements of sale. In this regard, it is pertinent to note Section 18 of the Act, 2016, which stipulates as under:

*“(1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building,—*

*(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or*

*(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason,*

*he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may*

*be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act:*

*Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed.”*

49. An interpretation of this provision confers upon each allottee a statutory right under the Act, 2016, to seek a refund of the amounts paid in the event that the promoter fails to adhere to the terms and conditions stipulated in the agreement for sale executed by them. In the present case, despite obtaining the requisite approvals from the competent authority and securing registration with this Authority, Respondent No. 1 has failed to commence and complete the construction of the project, thereby failing to deliver possession of the flats to the allottees as per the agreed timelines. Pursuant to the respective agreements for sale, Respondent No. 1 was contractually bound to hand over possession of the flats to the respective allottees within a period of thirty-six (36) months from the date of execution of the agreements, along with an additional grace period of six (6) months, thereby making the expected handover timeline approximately within the year 2024, given that all agreements were executed in the year 2021. However, the failure of Respondent No. 1 to adhere to this contractual obligation renders the Complainants entitled to claim a refund of the amounts paid, in accordance with the provisions of Section 18 of the Act, 2016.

50. Therefore, Point III is answered accordingly and Complainants as mentioned in Para No.11 of this Order are rightfully entitled to refunds of their amounts.

#### **Directions of the Authority:**

51. In light of the discussions made above, this Authority, vide its powers under Section 37 and 38 of the Act, 2016, issues the following directions:

- i. As Respondent No.1 Promoter has defaulted in complying its functions and duties as provided under the Act and the Rules, as discussed in Paras 34 to 39, and the promoter has failed to commence construction, complete the Project and handover the flats to the allottees, in line with Section 7(1)(a), this Authority kept the registration granted to the project i.e., Regn. No. P01100003433 dated 24.09.2021 in abeyance until further orders/directions in this regard.
- ii. Consequently, all developmental rights of the Respondent No.1 Developer are hereby terminated henceforth, with respect to Project – Sahiti Nirupama and the Respondent No.1 Promoter is restrained not to advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner, the apartment in the



said Project or part of it as otherwise, penalty shall be imposed in accordance with Section 63 of the Act, 2016.

- iii. The Respondent No.1 Developer's name shall be displayed in the list of defaulters and the photograph of the Promoters i.e., Sri Boodati Laxminarayana and Smt. Boodati Parvathi shall also be displayed on the TG RERA website.
- iv. As has been stipulated in the judgment of the Hon'ble High Court of Bombay (Wadhwa Group Housing Pvt. Ltd.), the Respondent Nos.1 & 2 to 19 are jointly and severally liable and are hereby directed, under Section 18 of the Act, 2016, to refund the amounts made by the Complainants mentioned in Para No.11 read with Para No.4, to the Promoter along with interest at the rate of 11.10% p.a. as per Rule 15 of the Rules, 2017 as mentioned, wherein interest is applicable from the date on which the respective Agreement of Sale sought to give possession of the respective flat, within a period of 90 (ninety) days; and
- v. Until the final disposal of refunds are processed to the Complainants/Allottees, the Respondent Nos.2 to 19 mere directed not to enter into any developmental agreement or such other agreement of similar nature with any other developer/contractor or construct on its own or give on lease to any third-party, and not to alienate/sell/transfer or create any third-party rights on the Project land i.e., 2601.50 sq yds in Sy. Nos. 8/E1, 8/E2, 8/A, 8/A2 of Tellapur Village, Ramachandrapuram Mandal, Sangareddy District, Telangana State and 7804.50 sq yds in Survey Nos. Nos.8/AA, 8/EE, 8/E, 8/E1, 8/E2, 8/A, 8/A2 of Tellapur Village, Ramachandrapuram Mandal, Sangareddy District, Telangana State; and
- vi. The "Nirupama Welfare Association" registered vide Registration No.844 of 2022" is directed to collate all the claims for refund as mentioned above, from the Complainants herein, and to assume responsibility for ensuring the refund is processed from the Respondent Nos.1 & 2 to 19 along with the applicable interest as mentioned above; and
- vii. The parties are hereby informed that non-compliance of directions of the Authority shall attract penalty under Sections 63 of the R.E (R&D) Act, 2016.

52. Accordingly, for adjudication of further reliefs prayed for by the Complainants, matter be listed on 30.06.2025.

**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**