

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**Complaint No. 292 of 2024**

**29<sup>th</sup> September 2025**

**Quorum:**

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

**Shiva Shankar Reddy**

*(S/o.Late Vijaypal Reddy, Aged 26 years,  
Occ: Business, R/o.H.No.8-3-714/2,  
Mallikarjuna Heights, Bhagathnagar,  
Karimnagar – 505001)*

**...Complainant**

**Versus**

**1. M/s. Sunrise Constructions**

*(H.No.25-33/5/1, V. Gopal Reddy Complex,  
Mallikarjuna Nagar, Beeramguda Kaman,  
Ramachandra Puram, Hyderabad - 500050)*

**2. CH. Bal Reddy**

*(S/o. Malla Reddy, Aged about 62 years,  
Occ: Business, R/o. Flat No. 120,  
Aster Block, Bhanu Township,  
Hafeezpet, Miyapur, Hyderabad - 500049)*

**3. Udhay Bhaskar Reddy**

*(S/o. K. Laxma Reddy, Age: 57 years,  
Occ: Business, R/o. Villa No.34,  
Vajram Aster Homes, Gopanpally,  
Serilingampally, Rangareddy District,  
Telangana - 500046)*

**4. Krishna Reddy**

*(H.No. 25-36/5/K, Road No.5,  
Mallikarjuna Nagar, Beeramguda,  
Ramachandrapuram, Hyderabad - 502032)*

**...Respondents**

The present matter filed by the Complainant came up for hearing on 19.06.2025 before this Authority. The Complainant appeared through virtual mode. Respondent No.1, represented by Respondent No.2, was present in person. Respondent No.3 was represented by his counsel, Sri Y. Soma Srinath Reddy. Respondent No. 4 remained absent. Upon hearing the submissions of the Complainant, this Authority proceeded to pass the following **ORDER:**

2. The Complaint has been filed by the Complainant 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.

**A. Brief facts on behalf of the Complainants:**

3. The Complainant respectfully submits that a flat no. 411 in "Sunrise Abode," located at Survey No. 141 and 142, Beeramguda Main Road, Mallikarjuna Nagar, Ramachandrapuram, Telangana, was purchased by the complainant through the Respondent no. 2, Ch. Bal Reddy, with the involvement of mediators, Mr. Krishna Reddy and B. Galanuna. The mediators, who are relatives of the Respondent no. 2, assured the complainant that they would take responsibility for the flat's registration. Trusting their assurance, the complainant proceeded with the purchase.

4. The Complainant bought a flat for a total sale consideration of Rs. 67,25,000/- and the Respondent no. 2 promised to deliver possession within six months from October 2022. An advance payment of Rs.50,00,000/- was made to the Respondent no. 2, and an Agreement of sale was executed on 20.10.2022. However, the agreement mentioned only Rs.40,00,000/- as the advance consideration, omitting any deadlines for possession or registration.

5. Subsequently, on 01.06.2023, an additional Rs.10,00,000/- was paid to the Respondent no. 2, and the complainant requested the registration of the flat. Despite this, the Respondent no. 2 became unresponsive, even accusing the complainant of poor communication. Later, the Respondent no. 2's assistant, B. Trinath, informed the complainant that the flat construction was complete and requested registration. However, the Respondent no. 2 demanded an extra Rs.1,50,000/- as interest, which the complainant paid to the assistant's bank account on 14.03.2024. This brought the total payment to Rs.51,50,000/-

6. Moreover, in February 2024, the Respondent no. 2 offered to facilitate a loan through Canara Bank. To this end, a new agreement of sale was executed on 01.03.2024, citing a reduced property value of Rs.37,50,000/-, which included an inflated remaining balance of Rs.27,00,000/- (instead of the correct amount of Rs. 17,25,000). When the complainant objected to the inflated figure, the Respondent no. 2 cancelled the loan process and issued threats to pay the remaining balance within three days.

7. Further, on 16.04.2024, the Respondent no. 2's assistant raised a registration challan and instructed the complainant to pay the amount at SBI, Karimnagar. The complainant complied by paying Rs.2,85,450/- for registration and stamp duty and an additional Rs.12,500/- to the assistant

for documentation charges. Despite these payments and repeated follow-ups, the Respondent no. 2 failed to finalize a registration date, citing flimsy excuses for delays.

8. The Complainant has incurred a total expense of approximately Rs.55,00,000/- including loan processing and registration charges. Frustrated by the delay, the complainant issued legal notices to Respondent No.2 and Respondent No.3 on 14.09.2024, demanding compensation for the delay and registration of the flat. However, there has been no response from the Respondent no. 2 or his associates.

### **B. Relief Sought:**

9. In light of the foregoing grievances, the Complainant has sought the following reliefs from the Authority:

- a. To direct, Registration of Flat for which the loan has been sanctioned already on 04-Apr-2024 and already paid the Registration challan on 16-Apr-2024. Now the Loan Sanction letter will expire on 03-Oct-2024/04-Oct-2024 and Registration challan will expire on 15-Oct-2024.
- b. Hence, requesting this Authority to direct Respondent no. 2 to Register the said property Flat No. 411 on Fourth Floor West face in “SUNRISE ABODE” with car parking along with an undivided share of land 58 sq. Yards in Survey No. 140 and 141 situated at RAMACHANDRAPURAM village and Mandal and GHMC, SANGAREDDY DISTRICT.

### **C. Counter filed by the Respondents 1, 2 & 4:**

10. The Respondents submits that the Complainant alleges that Flat No. 411 could not be registered due to non-cooperation by Respondent No. 3. According to Telangana RERA Rules, registration requires consent from 53% of shareholders. The Complainant asserts consent from:

- Ch. Bal Reddy (10%) {R2 Respondent no. 2}
- M. Varalaxmi (10%)
- Ch. Nischal Kumar Reddy (9%)
- B. Ranjitha Reddy (9%)
- P. Giridhar Reddy (15%)

Respondent No. 4 has applied to RERA for striking off his name, rendering his shareholding status disputed and irrelevant to the computation of consent. As a Legal Defense, Under Section 15(1) of the Telangana RERA Rules, consent from 53% of shareholders is sufficient for registration. The Complainant has already secured valid consent from the requisite majority

(53%). The non-cooperation of Respondent No. 3 is immaterial as the statutory threshold has been met.

11. The Respondents submitted that the Respondent No.4 has formally sought removal from the project's records. Until TGRERA adjudicates his application, his shareholding cannot obstruct registration based on valid consent.

12. The Respondents respectfully stated that the Complainant's insistence on Respondent No. 3's cooperation is legally untenable. The law mandates “majority consent”, not unanimity.

**D. Additional Counter filed by Respondent 2:**

13. The Respondent No.2 respectfully submits that he is well acquainted with the facts of the case. He, along with Respondent No.4 and 8 others were the partner in Respondent No.1 firm, registered on 14.07.2022 under Registration No.669 of 2022, pursuant to a reconstituted partnership deed dated 25.11.2021. The firm operates from Flat No.120, Aster Block, Bhanu Township, Miyapur, Hyderabad, and undertakes construction of residential and commercial complexes, land development, and related projects.

14. The Respondent No.2 states that the partners agreed for construction of an apartment in Sy Nos.141/AA, 142/AA, 141/EE2, 142/EE1, 141/EE1, 142/EE, 141/E & 142/E admeasuring 2974.79 Sq. Yards at Ramachandrapuram Mandal, Sangareddy District, consisting of 1 Cellar + Stilt + 5 Upper Floors with permission No.1/C22/14176/2020 in the name “Sunrise Adobe”. The partnership shares were divided among 10 partners as per the Reconstitution Deed i.e., as follows;

<b>Name of Partners</b>	<b>Share of Partners</b>
K. Uday Bhaskar Reddy	15%
K. Haritha	17%
Ch. Bal Reddy	10%
M. Varalakshmi	10%
Ch. Nischal Kumar Reddy	9%
A. Gopal Reddy	5%
A. Mahipal Reddy	5%
G. Puspha Latha	9%
B. Rajitha Reddy	15%
P. Giridhar Reddy	15%
<b>Total</b>	<b>100%</b>

15. The Respondent No.2 states that due to internal disputes between two partners, a legal notice dated 14.05.2024 was issued to the Complainant demanding stoppage of works. Flat No.411 fell into the share of Respondent No.2 as per the Reconstitution of Partnership Deed, and an agreement with the Complainant was entered on 20.10.2022, with payments credited to the firm's account. He further submits that Respondent No.3 sold his share of 12,870 Sq. Yds. at Rs.800/- per Sq. Ft. to third parties without the knowledge of other partners through a Memorandum of Understanding and has since been unresponsive to calls or registration, creating hurdles for registration of remaining flats.

16. The Respondent No.2 states that along with partners Ch. Bal Reddy (10%), M. Varalakshmi (10%), Ch. Nischal Kumar Reddy (9%), B. Rajitha Reddy (9%), and P. Giridhar Reddy (15%), they hold a total of 53% share in the apartment and are ready to register flats in the buyers' names. Therefore Respondent No.2 prays that this Hon'ble Authority authorize him as the authorized person to execute registration of Flat No.411 in "Sunrise Adobe" and to register other already sold flats, in the interest of justice.

**E. Counter filed by the Respondent 3:**

17. The Respondent No.3, respectfully submit that this complaint is *void ab initio* as the transaction between the complainant and Respondent No. 1 is civil in nature. The complainant's relied upon an unregistered Agreement of Sale lacks validity due to insufficient stamp duty and registration. The Complainant has approached the Hon'ble Authority with misrepresentation and, therefore, this complaint should be dismissed.

18. The Respondent No.3, submit that the complainant's allegations are false. The Complainant expressed interest in purchasing Flat No. 411 at Sunrise Abode, but I have no connection to the alleged mediators, Respondent No.4 and B. Galamma. The Complainant must provide proof for his claims.

19. The Respondent No.3 respectfully submits that the allegations made by the Complainant are absolutely false, baseless, and denied. It is specifically denied that the Complainant has paid a sum of Rs.50,00,000/- (Rupees Fifty Lakhs only) to Respondent No.1 firm, as alleged. The Complainant has, in fact, paid only a total sum of Rs.19,90,000/- (Rupees Nineteen Lakhs Ninety Thousand only) to Respondent No.1 firm. The details of the said payments are set out herein below:

Sl No.	Date	Mode of Payment	Reference Number	Amount Paid
1	20-10-2022	R.T.G. S	SBINR52022102010680367	9,90,000/-
2	01-06-2023	R.T.G. S	UBINR22023060101474734	4,62,000/-
3	01-06-2023	R.T.G. S	UBINR22023060101480023	5,38,000/-
			<b>Total</b>	<b>19,90,000/-</b>

20. The Respondent No.3 respectfully submits that he never authorized any individual to collect funds into their personal accounts from the Complainant. The receipts relied upon by the Complainant are not borne out by the official records and the amounts are not reflected in the firm's books, except those acknowledged in the tabular summary. The Complainant is put to strict proof of these allegations. Further, the Complainant, being a software engineer, was fully aware of the terms of the Agreement of Sale, which he voluntarily signed and used to secure a bank loan. The allegations of miscommunication and lack of response are denied as vague, unsubstantiated, and made only to give rise to a false cause.

21. The Respondent No.3 denies all allegations pertaining to registration delays and payments made for the same. It is submitted that the Complainant acted on instructions of unauthorized individuals without contacting the firm's authorised representatives, i.e., its partners. No official communication was made by the firm demanding registration fees, and no authorised person induced the Complainant to make such payments. The complaint is based on private arrangements that have no bearing on the firm or the Respondent. The statements regarding registration delays and inducement are bald, baseless, and denied.

22. The Respondent No.3 further submits that the Complainant's claim of having spent Rs.55,00,000/- remains unsupported. Only the amounts reflected in the firm's records are acknowledged. The Complainant never approached the Respondent No.3 or other partners to clarify these alleged transactions prior to filing the complaint. Two conflicting, unregistered, and unstamped agreements have been produced by the Complainant, which are legally inadmissible. Even if the claims are assumed true, the dispute is civil in nature and outside the jurisdiction of this Hon'ble Authority. Internal disputes among the partners, including a legal notice issued by two partners to halt registrations temporarily, were also conveniently suppressed by the Complainant.

23. Finally, the Respondent No.3 submits that the authorised signatory and Managing Partner of the firm, Respondent No.3, has acted beyond this authority on several occasions, which has



prompted scrutiny and legal steps by the other partners. The present counter is filed in the Respondent No.3 as individual capacity, not as an authorised representative of the firm.

**F. Rejoinder to the Counter of the Respondent 3:**

24. The Complainant respectfully submits this rejoinder in response to the counter filed by Respondent No. 3. Respondent No.1 is a registered partnership firm bearing No. 669 of 2022, represented by its authorized partners Respondent No.2 and Respondent No.3. The firm is a registered promoter with Telangana RERA (Reg. No. P02500004912) for its project titled "Sunrise Abode" located at Ramachandrapuram village, Sangareddy District, Telangana, covering Survey Nos. 141/AA, 142/AA, 141/EE2, 142/EE1, 141/BE1, 142/BE, 141/E & 142/E. The Complainant had purchased Flat No. 411 on the fourth floor in the said project on the recommendation of Respondent No.4, who is a relative of Respondent No.2.

25. A Sale Agreement was executed on 20-Oct-2022 between the Complainant and Respondent No.1 (represented by Respondents No.2 and 3) for a total consideration of Rs.67,25,000/-, out of which Rs.40,00,000/- was received by the firm. A subsequent Agreement of Sale was executed on 01-Mar-2024 for Rs.37,50,000/-, wherein it was agreed that the said flat would be handed over within 12 months. Despite these agreements and payment of Rs.51,50,000/- in total by the Complainant, the Respondents failed to execute the registration or hand over possession of the flat, thereby violating the terms of both agreements. The Respondents were well aware of the payments received, and relevant receipts have been enclosed with the main complaint.

26. The Complainant strongly denies the false and misleading statements made by Respondent No.3, particularly mentioned in the counter. The Respondent falsely claimed that only Rs.19,90,000/- was paid, omitting the Rs.40,00,000/- acknowledged in the first Sale Agreement dated 20-Oct-2022. As stated by Respondent No.3 in Para 7 of his own reply, when both parties sign a Sale Agreement, they are deemed to be aware of its contents. Hence, the denial of the remaining payments and omission of the initial payment date in the counter is an intentional act to suppress facts and mislead the Authority. It clearly demonstrates the Respondent's mala fide intention to evade liability.

27. The Complainant asserts that Respondent No.3 is deliberately attempting to escape responsibility by making false accusations and denying duly acknowledged payments. The payments made by the Complainant amounts to Rs.51,50,000/- were made through traceable banking channels and hand cash (booking amount), all of which were received either by Respondent No.2, Respondent No.3, or by the firm's representatives. Respondent No.3's denial

of these transactions, despite his direct involvement in both the Agreements, clearly reflects a dishonest intention. The Payment details as follows;

Sl. No.	Date	Reference / Mode	Amount Paid	Paid to
1	15-Oct-2022	Hand Cash (Booking Amount)	Rs.1,00,000/-	Ch. Bal Reddy
2	20-Oct-2022	UPI UTR: 265976062493	Rs.20,000/-	Vara Laxmi M
3	20-Oct-2022	RTGS: SBINR52022102010679522 - Ref. 360346	Rs.9,90,000/-	Vara Laxmi M
4	20-Oct-2022	RTGS: SBINR52022102010680367 - Ref. 360347	Rs.9,90,000/-	Sunrise Constructions
5	27-Oct-2022	RTGS: SBINR52022102711701812 - Ref. 914411	Rs.9,90,000/-	Manthena Venkata Vara Prasad
6	29-Oct-2022	RTGS: SBINR52022102912073286 - Ref. 622091	Rs.9,10,000/-	Manthena Venkata Vara Prasad
7	01-Jun-2023	RTGS: UBINR22023060101474734	Rs.4,62,000/-	Sunrise Constructions
8	01-Jun-2023	RTGS: UBINR22023060101480023	Rs.5,38,000/-	Sunrise Constructions
9	14-Mar-2024	Cheque No: 02047061	Rs.1,50,000/-	B. Trinath

28. The Complainant submits that in Respondent No.3's counter, the allegations regarding the manner and date of approach to Respondent No.1 firm are baseless, and Respondent No.3 is put to strict proof of the same. In response to Respondent No.3 alleges that the Complainant relied on unregistered Agreements of Sale, yet conveniently omits the fact that it was the responsibility of Respondent No.1 firm (represented by Respondents No.2 and 3) to ensure those agreements were duly registered with sufficient stamp duty. The Complainant entered into two Agreements dated 20-Oct-2022 and 01-Mar-2024 but in both cases, the Promoter avoided registration, which amounts to a direct violation of their statutory obligations under the RE(R&D) Act.

29. The Complainant further submits that the Respondent No.3 acknowledges the payments made, yet offers no justification as to why the Agreements were not registered despite substantial sums being received. This leads to a fundamental question, did the Respondents register Agreements of Sale with sufficient stamp duty for other allottees in the "Sunrise Abode" project, or is this non-registration specific to the Complainant alone. The Complainant calls upon Respondent No.3 to place on record copies of all registered Agreements of Sale executed with other allottees, failing which it becomes apparent that the Respondents are engaging in selective



and discriminatory treatment, thereby cheating the Complainant and misrepresenting facts before this Authority.

30. The Complainant submits that if, as stated by Respondent No.3 in the counter, the unregistered Agreements of Sale have no validity, then the entire process of executing and signing these documents by Respondents No.2 and No.3 demonstrates a clear intent to defraud. How could the Respondents prepare, sign, and deliver such Agreements if they were invalid from the outset. This clearly shows a premeditated intention to cheat and misappropriate the Complainant's hard-earned money under the false pretext of a flat sale. Such acts reflect conduct involving misrepresentation and unclean hands. Strict legal action must be initiated against all Respondents.

31. The Complainant further submits that the Respondents failed to disclose that internal disputes existed between their partners and that a legal notice had been issued within the firm restraining project activity. This material information was never communicated to the Complainant. Despite securing loan approval and paying the registration challan, the Complainant was denied registration. While the Respondents claim to have halted project activities, the fact remains that 80–90% of the units are occupied since January 2024, even without an Occupancy Certificate. This is a violation under the RERA Act. Additionally, O.C. applications were filed even after the internal disputes arose, including one which was rejected by the Authority, showing inconsistency and contradiction in the Respondents' statements. The O.C. application details are as given below:

Sl. No.	File No.	Name of Applicant	Initial Action Date	Status
1	002185/GHMC/0940/SLP1/2025-OC	Sunrise Constructions, Partnership Firm having K. Uday Bhaskar Reddy & Others	24-Feb-2025 (By Rama Krishna)	In Progress
2	009116/GHMC/4238/SLP1/2024-OC	M/s. Sunrise Constructions, Partnership Firm having K. Uday Bhaskar Reddy & Others	20-Aug-2024 (By Rama Krishna)	Rejected on 25-02-2025
3	005371/GHMC/2593/SLP1/2024-OC	M/s. Sunrise Constructions, Partnership Firm having K. Uday Bhaskar Reddy & Others	17-May-2024 (By G. Bhavani)	In Progress

32. The Complainant submits that as per the agreement dated 01.03.2024, the Respondent firm mentioned the remaining balance amount to be paid as Rs.27,50,000/-, while in reality, the Complainant had already paid a total of Rs.50,00,000/- to the Respondent No.1 firm prior to March 2024. The actual balance amount was only Rs.17,00,000/-. When this discrepancy was

pointed out to Respondent No.2, there was no response. The Complainant then approached Canara Bank for a loan of Rs.17,00,000/-, but the loan was rejected since the agreement inaccurately mentioned the pending amount as Rs.27,50,000/-. The Respondent firm then retrieved the original agreement, altered only the transaction details page to reflect Rs.17,00,000/- as the balance, and returned the agreement without issuing a new corrected one. This deceptive action misled the Complainant and affected the loan process.

33. Even after this incident, in a second agreement dated 01.03.2024, the Respondents stated Rs.10,00,000/- was paid in cash and Rs.17,00,000/- was due. With this, the Complainant approached Union Bank, Gachibowli, assisted by B. Trinath. However, the bank authorities raised queries on the cash transaction. It was clarified to the Respondent no. 2 that payments were made through bank transfers, not in cash. The Respondent no. 2 again retrieved the original agreement, altered the transaction page to reflect bank payments of Rs.9,90,000/- dated 20.10.2022 and Rs.17,00,000/- as due, and returned the same agreement. This clearly shows that in two instances, the Respondents took the original agreements and selectively updated only the payment transaction pages, which were again signed by Respondent No.2 and Respondent No.3.

34. A closer examination of the agreement dated 01.03.2024 reveals the payment details are printed in a smaller font compared to the rest of the pages evidencing that these pages were tampered with and replaced intentionally. These actions are not just accusations; they reflect the Complainant's real experience with deceit and lack of transparency. Furthermore, the Respondents claim internal disputes as reasons for the delay, but these were never communicated to the Complainant. Respondent No.3's assertion that the Complainant was aware of internal issues is denied and strict proof is demanded. These internal disputes are now being misused to delay registration and avoid responsibility.

35. Despite the Complainant paying around Rs.55 lakhs (including payment to Respondents, loan charges, and registration challan), the sale deed remains unexecuted. Respondent No.2 even promised registration within 2 days during police mediation, which never happened. Legal notice dated 14.09.2024 sent by the Complainant remains unanswered. Respondent No.1 is a registered promoter under TG RERA for the "SUNRISE ABODE" project, and is bound to fulfill obligations. The second agreement clearly promised handover within 12 months. Therefore, Respondents have failed in their duty. The Complainant prays that this Hon'ble Authority may take strict action against the Respondents for violating the law and direct them to execute the registration without delay. The Respondent No.3's evasive response and denial of authority are misleading and amount to breach of trust.

### **G. Observations of the Authority:**

36. From the perusal of the record, and in brief, it is submitted by the Complainant entered into an Agreement of Sale dated 20.10.2022 in respect of a semi-finished Flat No. 411, situated on the fourth floor of Block “C” in the project named Sunrise Abode, bearing TG RERA Registration No. P02500004912, admeasuring 1500 sq. ft. of plinth area including common areas, with one car parking space, together with an undivided share of land admeasuring 58 sq. yards in Survey Nos. 141 (part) and 142 (part), situated at Ramachandrapuram Town and Mandal under GHMC limits, Sangareddy District. Subsequently, pursuant to a housing loan sanctioned by the bank, the Respondents No 1, 2 & 3 executed another Agreement of Sale on 01.03.2024 for the same flat, reflecting the market value. Both parties have admitted the execution of these Agreements of Sale during the course of hearing. The total sale consideration agreed between the parties for the said flat is Rs.67,25,000/-, and since the subsequent Agreement of Sale was executed in accordance with the prevailing market value, the Agreement dated 01.03.2024, being the latest, shall be taken into consideration.

37. Pursuant thereto Complainant submitted that he has so far paid a total sum of approximately Rs.55,00,000/- including Rs.51,50,000/- directly towards the sale consideration and an additional amount of Rs.3,50,000/- towards registration and loan processing charges. Despite the Respondent No.2 having initially agreed to deliver possession and complete registration within six months from October 2022, the Respondents failed to do so. Further that the Respondent No.2, on multiple occasions, insisted on additional amounts, altered the agreed terms in subsequent another agreement of sale, and even demanded an unwarranted interest component of Rs.1,50,000/-, which was paid under pressure on 14.03.2024.

38. Agreement of Sale dated 01.03.2025, it is specifically mentioned that Respondent Nos. 1, 2, and 3 shall hand over vacant, physical, and peaceful possession of the scheduled property to the Complainant upon receipt of the full sale consideration along with the charges towards amenities. Accordingly, Respondent Nos. 1, 2, and 3 are obligated to deliver such vacant possession of the said property to the Complainant.

39. The Respondents No.1, 2, and 4, in their counter, have contended that under Rule 15(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017, registration of a flat requires consent from 53% of shareholders, and that the Complainant has already secured valid consent from the requisite majority of 53%. The said contention is devoid of merit and is not supported by any provision under the Real Estate (Regulation and Development) Act, 2016 or the Telangana Rules framed thereunder. There exists no provision which permits registration based

merely upon the consent of 53% of the shareholders. Accordingly, the contention raised by Respondents No.1, 2, and 4 is untenable in law and not liable to be considered, rendering their stance legally unsustainable and devoid of any merit.

40. Moreover, Respondent No. 2 emphasized that ongoing internal disputes between two partners have significant implications for the ownership of the flat. It clearly falls under the shares of Respondent No. 2 as outlined in the reconstitution of the partnership deed. Further, claiming that the firm indeed received an amount of Rs. 55,00,000/- from the Respondent No.2 acknowledging the Complainant's claim.

41. Conversely, the Respondent No.3, in his counter, has averred that the Complainant has paid only a sum of Rs. 19,90,000/- and has specifically denied the Complainant's assertion of having paid an amount of Rs. 50,00,000/-. It is further alleged that the Complainant acted upon the instructions of an unauthorized individual without contacting the duly authorized representatives of the firm, namely its partners. The Respondent submits that only the amounts duly reflected in the firm's official records are acknowledged, and that the Complainant never approached Respondent No.3 or any of the other partners to clarify such disputed transactions prior to the filing of the present complaint. It is additionally submitted that certain internal disputes among the partners, including the issuance of a legal notice by two partners directing the temporary halt of registration, were conveniently suppressed by the Complainant. Furthermore, Respondent No.3 asserts that he is arrayed herein solely in his individual capacity and not as an authorized representative of the firm.

42. Whereas, the complainant asserts that despite receiving Rs. 51,50,000/- through both bank transfer and hand cash, failed to execute registration or deliver possession of Flat No. 411, in violation of the Agreements dated 20.10.2022 and 01.03.2024. The Respondents falsely claimed receipt of only Rs. 19,90,000/-, deliberately suppressing acknowledged payments and manipulating the transaction pages of the agreements to misstate facts, thereby misleading financial institutions and obstructing loan approval. Material internal disputes within the firm were never disclosed to the Complainant, constituting a breach of good faith. The Respondents executed but failed to register the Agreements, violating their obligations as registered promoters under the RE (R&D) Act, 2016. Despite 80 to 90% occupancy and not applied of the Occupancy Certificate, possession remains unlawfully withheld. These actions reveal a pattern of deception, misrepresentation, and wilful breach of statutory obligations.

43. This Authority notes that Respondent No 1 listed as the authorized signatory and Respondents No. 2 & 3 are the partners for the project on the TG RERA project registration

portal. Furthermore, it is noted how amounting to nearly Rs. 55,00,000/-, were collected in a highly irregular manner by the Respondents and their associates through multiple individual bank accounts, including those of Respondent No.2, M. Varalakshmi, Manthena Venkata Vara Prasad, and even the Respondent no. 2's assistant, B. Trinath, rather than being deposited into a single designated bank account as mandated under Section 4(2) (1) d of the Real Estate (Regulation and Development) Act, 2016.

<b>Member Name</b>	<b>Designation</b>
CH BAL REDDY	Authorized Signatory
KESHAPALLY UDAY BHASKAR REDDY	Partner
KESHAPALLY HARITHA	Partner
MATTA VARALAXMI	Partner
CHITTY NISCHAL KUMAR REDDY	Partner
ANUGULA GOPAL REDDY	Partner
ANUGULA MAHIPAL REDDY	Partner
GADDAM PUSHPA LATHA	Partner
BENDRAM RAJITHA REDDY	Partner
PADDAMANTOOR GIRIDHAR REDDY	Partner

44. From the records and submissions, it is evident that the Complainant's grievance primarily concerns the non-registration and non-delivery of possession of Flat No. 411 in the registered project Sunrise Abode, despite having paid substantial amounts to the Respondents. The Complainant has placed on record detailed payment particulars showing that the amounts were transferred to multiple individuals connected with the Respondents' firm, including employees of Respondent No. 2 and persons whose names appeared as partners or authorised signatories on the promoter's RERA registration portal.

45. It is pertinent to note that RE (R&D) Act 2016, mandates Section 4 (2) (1) d; and Rule 4 of TG RE (R & D) Rules, 2017, that the 70% of the amounts realised from allottees are to be deposited in a separate designated project bank account, to be utilised only towards the cost of land and construction. In the present case, the admitted position emerging from the pleadings is that significant sums were received in the personal accounts of employees and individuals, rather than in the designated project account. Such diversion constitutes a direct infraction of the aforesaid statutory provisions and amounts to a statutory breach.

46. The Respondent No.3 who's denial that these amounts were received in any official capacity is not persuasive for the following reasons:

- a) The Respondent's failed to establish any personal relation of the Complainant with any of these individuals from whom the complainant could have obtained their bank details but only through Respondent's organisation.
- b) The name of few of the individuals including Respondent No.3 appeared on TG RERA project registration portal as partners or authorised signatory for the concern project.
- c) There is no evidence to suggest that the Complainant made these payments for any purpose other than towards the sale consideration of the allotted unit.

47. The conduct of routing payments through multiple person accounts rather the designated account appeared to be a device intended to evade the statutory safeguards of ensuring utilisation for the project.

48. The Authority holds that the promoters cannot avoid liability by claiming that payments were paid to unauthorised individuals that such individuals were associated with the promoters and allottees dealing were through the promoter's employees.

49. Further under Section 69 of RE (R&D) Act 2016, where an offence under the act has been committed by company (which includes a partnership firm) by virtue of Section 2(z) of RE (R&D) Act 2016, every person at time of offence was in-charge of the responsible to the company for the conduct of its business as well as company itself unit's basis as well as company shall be deemed guilty of offence.

50. The plea of the internal disputes between partners as justification of withholding, registration is equalled untenable. Once the consideration is paid in the substantial part the promoter is bound to completed sale and handover the possession in accordance, with the agreement. In the present case the Complainant has paid approximate Rs. 55,00,000/- including the amount towards registration and loan processing. The Respondents have failed to execute the sale deed, despite the fact that the internal disputes have not prevented occupation of 80% to 90% of the flats in the project since January 2024, even without an occupancy certificate. Which itself in contravention of the RE (R&D) Act 2016.

51. Accordingly, the Authority dues that the routing of payments through personal account instead of the mandatory project account it's a statutory violation for Respondents been the persons in-charge of the promoter's entity of the reviling time are personally liable under Section 69 RE (R&D) Act 2016, any internal disputes between partners were not constitute a value defence of registration and possession. Therefore, complainant having paid the substantial part of amount of the consideration is entitled for registration and possession without further delay as per Section 11 (4) (a) of the RE (R&D) Act 2016, 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, as the case may be, till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be.

52. The Respondents No. 1, 2 & 3 within 30 days from date of this order execute and register the sale deed in favour of the Complainant for the Flat No. 411 in project “Sunrise Adobe”. Upon payment of balance consideration strictly imposes agreement of sale without imposing additional charges. The Respondents shall handover lawful possession of the said unit to the Complainant within the same period ensures with the possession peacefully and compliance with sanction plan.

53. The Respondents are hereby warned that any amount received further concerned project by the allottees shall be only deposited into the designated project bank account in accordance with Section 4(1) (d) of the RE(R&D) Act 2016, to ensure proper utilisation for project purposes.

54. The Authority shall take stringent action if found any such amounts being deviated from the designated account in future project of the respondents to an extent of declare as defaulters including individual partners of the Respondent No.1. Furthermore, it is submitted that Respondent Nos.2 & 3 have deviated the payments received from allottees into their personal account rather than depositing the same into dedicated separate account as mentioned under Section 4 (1) (d) of the RE(R&D) Act 2016, thereby violating the mandatory provisions of the Act and the Rules framed thereunder.

55. The Preamble to the RE(R&D) Act 2016, underscores the legislative intent to establish a regulatory authority for the regulation and promotion of the real estate sector, to ensure the efficient and transparent sale of real estate, and above all, to protect the interests of consumers in the sector. This legislative intent is pivotal to the interpretation of the scope of the said Act.

56. In this regard, the Authority deems it appropriate to refer to the provisions of Section 69 of the RE (R&D) Act, 2016, which reads as under:

*“Where an Offence under this Act has been committed by a company, every person who, at the time, the offence was committed was in charge of, or was responsible to the company for the conduct of, the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly”*

57. Therefore, the Authority views that Respondents No. 1, 2 and 3 are jointly and severally liable for the violation of Section 4(2)(1)(D) of the RE (R&D) Act, 2016, and accordingly, the Authority hereby imposes penalty under Section 60 of the said Act.

58. The allottees are hereby expressly cautioned that all payments towards the consideration of units or any other charges shall be made only to the designated bank account of the promoter, as specified for RERA registered projects. Under no circumstances shall any payments be made to the personal accounts of the promoter, its directors, or any other individuals. Allottees shall be aware that any payments made in contravention of this stipulation shall be at the sole risk and cost of the allottee. Therefore, allottees must exercise due diligence before making any unauthorized payments towards the purchase of units or plots, other than to the designated account.

#### **H. Directions of the Authority:**

59. Based on the facts submitted, evidence on record, and the findings given thereon by us as discussed herein above, this Authority directs the Respondent the following:

- i. The Respondents No. 1, 2, and 3 are hereby directed to execute and register the Sale Deed in respect of Flat No. 411, in the project titled "*Sunrise Abode*", in favour of the Complainant, within 30 (thirty) days from the date of this Order, subject to the Complainant shall pay the balance sale consideration due amount to the Respondents No.1,2 &3.
- ii. The Respondents No.1, 2, and 3 are held jointly and severally liable for violation of the provisions of Section 4(2)(I)(D) of the Real Estate (Regulation and Development) Act, 2016. Accordingly, this Authority hereby imposes a penalty of Rs. 5,00,000/- (Rupees Five Lakhs). Upon the Respondents above mentioned under Section 60 of the RE(R&D) Act, 2016.

60. If the Respondent fails to comply with the directions herein, shall attract Section 63 of the RE (R&D) Act, 2016.

61. The Complaint is disposed of in lieu of the above directions. No order as to costs

**Sd/-**

**Sri. K. Srinivasa Rao,  
Hon'ble Member**

**TG RERA**

**Sd/-**

**Sri. Laxmi Naryana Jannu,  
Hon'ble Member**

**TG RERA**

**Sd/-**

**Dr. N. Satyanarayana, IAS (Retd.),  
Hon'ble Chairperson**

**TG RERA**