BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 287 of 2025
Dated: 4th February, 2026

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

Shaik Firoz Ahmed,
S/o Shaik Jeelani Basha, R/o. H.No: 3-3-66/9F, Burtonguda, Bollarum, Secunderabad, Telangana – 500010.

…Complainant

Versus

1. **K. Baburam Naik,**
   Managing Director of M/s Diamond Green Cities Pvt. Ltd, R/o: H.No.10-103/6/2/40, Vijaya Lakshmi Nagar Colony, Nedurgul (Rural) Balapur Mandal, Ranga Reddy District, Telangana - 501510.

2. **M. Chaturu Naik,**
   Director of M/s Diamond Green Cities Pvt. Ltd, O/o: Flat No. 9, Cross Road No. 5, Opposite to Mamta Nagar, Samathapuri Colony, Nagole, Hyderabad – 500035.

3. **K.M. Kondiah Naidu,**
   Sales Manager of M/s Diamond Green Cities Pvt. Ltd, R/o: Third Floor, Plot No. 8, H.No.32-67-81, Balaji Colony, Near GHMC Park, Sainikpuri, RK Puram, Secunderabad.

4. **M/s Diamond Green Cities Pvt Ltd,**
   Rep by Its Managing Director Mr. K. Baburam Naik, O/o: Flat No.9, Cross Road No.5, Opposite to Mamta Nagar, Samathapuri Colony, Nagole, Hyderabad, Telangana - 500035.

…Respondents

The present matter filed by the Complainant mentioned hereinabove, came up for hearing before this Authority. The Complainant appeared in person; Respondent Nos. 1 and 4 were represented by their counsel, Mr. S. Sreenivas Nayak; Respondent No. 3 appeared in person; and none appeared on behalf of Respondent No. 2. After hearing the submissions on behalf of the parties present and upon perusal of the material available on record, this Authority proceeds to pass the following **ORDER**:

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

A. Brief facts of the case:

3. The Complainant submits that in the month of September, 2024, the Respondents approached him stating that they were representing M/s. Diamond Green Cities Pvt. Ltd., a company engaged in real estate business. The Respondents furnished photocopies of pamphlets/leaflets indicating their office at Nagole and promoting a residential plotted venture titled "Diamond Sai Teja Township" also referred to as "Sai Teja Township", situated in Survey No. 494, Nadargul Village, near Delhi Public School, Aadibatla. The said pamphlets represented that the layout was HMDA approved bearing L.P.No.000271/LO/PLG/HMDA/2018.

4. The Respondents also furnished a copy of a Registered Sale Deed pertaining to Plot No. 25 admeasuring 240 Sq. Yards in the said venture, with a sale consideration of Rs.68,90,000/-, registered as Document No. 236/2024 dated 06.01.2024 in the Office of the Sub-Registrar, Champapet. The said Sale Deed was executed by Respondent No.1,Sri K. Baburam Naik, as "Vendor" and representing himself as the Managing Director of Diamond Green Cities Pvt. Ltd.

5. Relying upon the said representations and documents, the Complainant agreed to purchase Plot No. 69 admeasuring 364 Sq. Yards in the said project at a rate of Rs. 31,000/- per Sq. Yard, and accordingly booked the plot on 06.10.2024. The Respondents demanded an advance amount of Rs. 20,00,000/- at the time of booking. Pursuant thereto, the Complainant paid Rs. 5,00,000/- in cash on 07.10.2024, for which Receipt No. 2851 dated 07.10.2024 was issued, followed by Rs. 15,00,000/- through RTGS on 21.10.2024, acknowledged vide Receipt No. 2852 dated 21.10.2024. Thus, the Complainant paid a total advance of Rs. 20,00,000/- towards Plot No. 69.

6. Thereafter, Respondent No.1, in his capacity as Managing Director of Diamond Green Cities Pvt. Ltd., executed an Agreement of Sale dated 04.12.2024 in favour of the Complainant in respect of Plot No. 69 admeasuring 364 Sq. Yards, acknowledging receipt of Rs. 20,00,000/- as advance and further recording receipt of Rs. 60,00,000/- on the same day, with the balance payable at the time of registration tentatively scheduled on 12.12.2024. The Agreement

categorically stated that the vendor was the absolute owner of the said plot. The said Agreement of Sale was signed by Respondent No.1 and attested by Respondent Nos. 2 and 3 as witnesses.

7. In furtherance of the Agreement of Sale, the Complainant paid Rs. 60,00,000/- through an account payee bank cheque dated 05.12.2024, which was acknowledged by Respondent No.4, vide Receipt No. 2867 dated 05.12.2024. With this, the Complainant had paid a total sum of Rs. 80,00,000/-.

8. As per the Agreement of Sale, the registration of Plot No. 69 did not take place on the tentative date of 12.12.2024. The Respondents subsequently informed the Complainant that Plot No. 69 was not available and instead offered Plot No. 72 admeasuring 382 Sq. Yards in the same project. The Respondents demanded payment of the remaining consideration of Rs.35,00,000/- for proceeding with registration of Plot No. 72.

9. Believing the assurances of the Respondents and to expedite registration, the Complainant paid Rs. 25,00,000/- and Rs. 10,00,000/- through account payee cheques dated 30.12.2024, which were acknowledged vide Receipt No. 2868 dated 30.12.2024, Receipt No. 2869 dated 04.01.2025, and Receipt No. 2878 dated 04.01.2025. Thus, as on 04.01.2025, the Complainant had paid a total amount of Rs. 1,15,00,000/- towards Plot No. 72 and requested the Respondents to complete the registration.

10. Despite receipt of the entire sale consideration, the Respondents failed to proceed with registration, raising serious apprehensions. The Complainant thereafter obtained an Encumbrance Certificate for Plot No. 72 in Survey No. 494, Nadargul Village, for a period of 30 years from 01.05.1995 to 06.02.2025, which revealed that the said plot stood registered in the name of one Mr. B. Vikram Reddy since 19.02.2020, who was the absolute owner.

11. Upon confronting the Respondents, Respondent No.1 claimed that he was in the process of obtaining the plot through an Agreement of Sale-cum-GPA from the said owner and assured that registration would be completed shortly. On the same day, the Respondents visited the Complainant's residence and executed a written assurance on Rs. 100/- stamp paper, enclosing six undated cheques signed by Respondent No.1 for an aggregate amount of Rs. 1.15 Crores, promising to complete registration by 25.02.2025, and also took a group photograph as evidence.

12. When the assurance date also lapsed without registration, the Respondent No.1 requested the Complainant to return the six cheques citing insufficient funds, and instead issued

two fresh Axis Bank cheques dated 15.03.2025 for Rs. 85,00,000/- and Rs. 60,00,000/-, again stating that they were only for assurance and not to be encashed. Upon examination, the Complainant noticed that the signatures on the said two cheques differed from the earlier cheques. The said cheques remain in the possession of the Complainant.

13. As on the date of filing of the present complaint, despite payment of the entire consideration amount of Rs. 1,15,00,000/-, the Respondents have failed to register Plot No. 72 in favour of the Complainant.

B. Relief(s) Sought:

14. Accordingly, the Complainant sought the following reliefs:

i. Direct the Respondent to register the property i.e., Plot No. 72 mentioned above in the name of the Complainant in a time bound manner as fixed by the Regulating Authority and direct the Respondent to bear the registration charges for the inordinate delay of more than 7 months for registering the above property.

ii. Alternatively, direct the Respondent to refund the entire amount of Rs.1,15,00,000.00/- paid by the Complainant immediately.

C. Counter on behalf of Respondent No.1:

15. Respondent No.1 has filed a counter denying all the allegations made in the complaint, except those specifically admitted. It is stated that after observing the reputation and standing of Respondent No.1 in the real estate business, the Complainant expressed his willingness on 06.10.2024 to purchase Plot No. 69 admeasuring 364 square yards in the project of Diamond Green Cities Private Limited, namely Diamond Sai Teja Township, at a rate of Rs.31,000/- per square yard.

16. It is stated that the Complainant entered into the Agreement of Sale after due satisfaction and that Respondent No.1 expressed readiness to execute the Sale Deed on payment of the balance sale consideration. However, it is alleged that the Complainant suddenly changed his version and showed interest in Plot No. 72 situated at Nadargul Village in Survey No. 494. Respondent No.1 claims that he considered the request of the Complainant, but the Complainant failed to perform his part of the contractual obligations despite repeated requests and demands.

17. It is further stated that thereafter the Complainant approached him with a request to cancel the Agreement of Sale by expressing his financial crisis and sought refund of the amount received. Considering the said request on humanitarian grounds, Respondent No.1 issued two

cheques bearing No. 353137 dated 15.03.2025 for Rs.85,00,000/- and Cheque No. 353136 dated 15.03.2025 for Rs.60,00,000/- in favour of the Complainant. According to Respondent No.1, the said transaction stood cancelled. However, instead of depositing the said cheques by following due process of law, the Complainant filed the present case.

18. It is further stated that on one hand the Complainant received the amounts by way of the said cheques and on the other hand filed the present premature complaint by suppressing the above facts for wrongful gains and to defame Respondent No.1 in society. It is contended that the claim of the Complainant is whimsical and not based on any rational grounds and that the Complainant is not entitled to any relief.

19. Respondent No.1 further states that he is ready to execute the Sale Deed in favour of the Complainant in respect of Plot No. 72 on payment of the balance sale consideration and return of the said cheques issued by him. Accordingly, it is prayed that the complaint be dismissed by imposing costs and fine on the Complainant, in the interest of justice.

D. Counter on behalf of Respondent No.3:

20. Respondent No.3, namely Sri K.M. Kondiah Naidu, has filed his counter stating that the rebuttal filed by the Complainant is correct. He has acknowledged the correctness of the version put forth by the Complainant.

21. Respondent No.3 has stated that the Complainant paid the full and timely sale consideration amount of Rs.1.15 Crores in his presence towards the purchase of Housing Plot No. 72 in the Diamond Sai Teja Township project from Respondent No.4, M/s Diamond Green Cities Pvt. Ltd., represented by its Managing Director, Sri K. Baburam Naik, who is Respondent No.1. It is further stated that after receipt of the full and final payment of Rs.1.15 Crores, Respondent No.1 unnecessarily delayed the registration of Plot No. 72 despite repeated assurances.

22. Respondent No.3 has further stated that thereafter he, along with Sri K. Baburam Naik (Respondent No.1) and Sri M. Chaturu (Respondent No.2), visited the residence of the Complainant, during which an assurance was given on Rs.100/- stamp paper, enclosing six signed cheques without date issued by Sri K. Baburam Naik for a total amount of Rs.1.15 Crores, with a promise to complete the registration of Plot No. 72 on or before 25.02.2025. It is also stated that a group photograph was taken during the said meeting as evidence of the assurance.

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23. It is further stated that when the assurance date of 25.02.2025 passed without registration, the Complainant again approached Respondent No.1, at which stage Respondent No.1 requested the Complainant to return the earlier six undated cheques on the ground that there were no funds available in the said bank account. In place thereof, two fresh cheques were issued by Respondent No.1 from Axis Bank, LB Nagar Branch, bearing Cheque No. 353137 dated 15.03.2025 for Rs.85,00,000/- and Cheque No. 353136 dated 15.03.2025 for Rs.60,00,000/-, which were handed over only as an assurance with a fresh promise to complete the registration of Plot No. 72 by 15.04.2025.

24. It is submitted that on verification, it was observed that the signatures on the said two cheques were different from the usual signature of Sri K. Baburam Naik, which according to Respondent No.3 indicates an intention to delay and frustrate the registration process.

25. It is stated that the Complainant has duly paid the entire sale consideration, but Respondent No.1 and Respondent No.4 have failed to register the property, and has requested this Hon'ble Authority to take the said counter on record and to pass appropriate directions in the interest of justice.

E. Rejoinder filed on behalf of Complainant to Counter of Respondent No.1:

26. The Complainant has filed a rejoinder to the counter and rebuttal filed by Respondent No.1. It is stated that the present case clearly demonstrates that despite the Complainant having made full and timely payment of Rs.1.15 Crores towards the purchase of Housing Plot No.72, he was denied registration of the said plot by M/s Diamond Green Cities Private Limited, represented by its Managing Director, Respondent No.1. It is asserted that the Housing Plot Nos. 69 and 72 offered for sale were never in the possession of M/s Diamond Green Cities Pvt. Ltd., represented by Respondent No.1, from the beginning and continue to remain so till date.

27. It is submitted that Respondent No.1 deliberately suppressed material facts, ignored the documentary evidence filed along with the complaint as well as the Additional Evidence submitted to the Authority vide letter dated 26.06.2025, which was acknowledged by the Respondent's own counsel on 01.07.2025, and attempted to mislead this Hon'ble Authority.

28. With regard to the two cheques bearing Nos. 353137 dated 15.03.2025 for Rs.85,00,000/- and 353136 dated 15.03.2025 for Rs.60,00,000/- issued by Respondent No.1, the Complainant has clarified that the said cheques were not deposited for specific reasons. It is stated that Respondent No.1 had initially issued six cheques acknowledging receipt of

Rs.1.15 Crores and had also executed an affidavit on non-judicial stamp paper confirming receipt of the said amount for sale of Plot No.72 and promising registration on 25.02.2025. Respondents 2 and 3 were witnesses to the said affidavit and a group photograph was taken, all of which were enclosed as exhibits to the complaint. It is stated that these six cheques were subsequently taken back by Respondent No.1 on the ground that there were no funds in his bank account and that the two fresh cheques dated 15.03.2025 were thereafter issued.

29. It is further stated that the signatures on the two cheques dated 15.03.2025 materially differ from the signatures on the earlier six cheques as well as from the signature of Respondent No.1 on the affidavit executed on non-judicial stamp paper. It is also stated that the said cheques were issued without mentioning the name of the payee and that issuance of such blank cheques for huge amounts clearly indicates lack of funds in the account of Respondent No.1. It is alleged that depositing the said cheques would have inevitably resulted in dishonour and would have enabled Respondent No.1 to divert the dispute into cheque bounce proceedings under the Negotiable Instruments Act, thereby mischaracterising the present case. It is asserted that the conduct of Respondent No.1 in issuing blank cheques, signing them differently and without sufficient balance was intentional and aimed at creating a civil dispute, and therefore the Complainant refrained from presenting the said cheques to protect the integrity of the present proceedings.

30. The Complainant states that he submitted Additional Evidence to the Authority vide letter dated 26.06.2025, receipt of which was acknowledged by the Respondent's counsel on 01.07.2025. It is stated that Respondent No.1 deliberately ignored the said additional evidence in his rebuttal. According to the Complainant, the said additional evidence includes a recorded call message dated 08.05.2025 in which Respondent No.1 admitted receipt of full payment and stated that the delay in registration was due to his own financial difficulties and not due to any fault on the part of the Complainant. It is further stated that due to the Respondent's delay in registering the property before 31.03.2025, the Complainant was burdened with additional capital gains tax of Rs.17,04,750/-, as evidenced by the Income Tax payment receipt, which is stated to be a direct financial loss caused to the Complainant. It is alleged that Respondent No.1 deliberately ignored all this evidence in his counter, thereby suppressing material facts.

31. With regard to ownership of Plot Nos. 69 and 72, the Complainant states that as per the Encumbrance Certificates and the approved layout plan submitted, Plot No.69 stands registered in the name of one Mr. Sreeram Reddy represented by K. Devender Reddy and Plot No.72

stands registered in the name of one Mr. Vikram Reddy. It is asserted that both plots were never in the possession of M/s Diamond Green Cities Pvt. Ltd., represented by Respondent No.1. Despite this, Respondent No.1 entered into an Agreement of Sale for Plot No.69, received Rs.20 Lakhs as advance and another Rs.60 Lakhs, and stated that the balance would be paid at the time of registration tentatively on 12.12.2024. It is further stated that when registration of Plot No.69 did not take place, Respondent No.1 shifted the Complainant to Plot No.72 and insisted on accepting the amount of Rs.1.15 Crores already paid, and executed an affidavit confirming receipt of the said amount and sale of Plot No.72. According to the Complainant, these acts amount to fraudulent misrepresentation and establish that Respondent Nos.1 and 4 attempted to mislead both the Complainant and this Hon'ble Authority with contradictory and unsupported averments.

32. Therefore, it is prayed that the counter filed by Respondent No.1 be rejected as misleading and suppressing crucial evidence, that Respondent No.1 be directed to refund the sum of Rs.1.15 Crores received towards Plot No.72 which was never in the possession of M/s Diamond Green Cities Pvt. Ltd., and that Respondent No.1 be directed to reimburse the financial loss of Rs.17,04,750/- incurred towards capital gains tax. The Complainant has further sought imposition of costs on Respondent Nos.1 and 4 for suppression of material facts and harassment, imposition of costs on Respondent Nos.2 and 3 for aiding and abetting Respondent No.1, award of interest, compensation and costs.

F. Rejoinder filed on behalf of Complainant to Counter of Respondent No.3:

33. The Complainant has filed a rejoinder to the reply filed by Respondent No.3. It is stated that the counter filed by Respondent No.3 contains clear and categorical admissions which confirm the core allegations made by the Complainant. According to the Complainant, Respondent No.3 has expressly admitted the full and timely payment of Rs.1.15 Crores by the Complainant towards purchase of Plot No.72 and has also admitted his presence and participation in the assurance meeting along with Respondent Nos.1 and 2, during which an affidavit on Rs.100/- stamp paper was executed confirming receipt of Rs.1.15 Crores towards sale of Plot No.72, issuance of six signed cheques for Rs.1.15 Crores by Respondent No.1 as assurance, and a promise to complete registration by 25.02.2025, along with taking of a group photograph as evidence.

34. It is further stated that Respondent No.3 has also admitted the subsequent issuance of two replacement cheques dated 15.03.2025 for Rs.85,00,000/- and Rs.60,00,000/- by

Respondent No.1, bearing signatures materially different from the signatures on the earlier six cheques issued for Rs.1.15 Crores. The Complainant contends that these admissions establish that the said acts were carried out in bad faith with an intent to deceive and delay the registration process.

35. The Complainant has further contended that the admissions made by Respondent No.3 attract the provisions of the Real Estate (Regulation and Development) Act, 2016 and the Code of Civil Procedure, 1908. It is stated that Section 12 of the RERA Act prohibits misleading advertisements and representations by promoters, and that Respondent No.3's presence and participation along with Respondent Nos.1 and 2 in providing assurances, despite knowing that the plots were not owned or possessed by Respondent No.1, amounts to aiding false representation of ownership. It is further stated that under Section 18(1)(a) of the RERA Act, an allottee is entitled to refund with interest if the promoter fails to complete or give possession of the plot, and that Respondent No.3's involvement in the assurances and replacement cheques links him to the failure to complete registration of Plot No.72. Reference is also made to Sections 35 and 38 of the RERA Act, contending that the admissions of Respondent No.3 strengthen the grounds for inquiry into coordinated actions and enable issuance of directions, including punitive action. The Complainant has further relied upon Order VIII Rules 3 and 5 of the Code of Civil Procedure, 1908, stating that general denials are deemed admissions and that Respondent No.3, by affirming and admitting key facts, effectively supports the Complainant's case.

36. It is further alleged that Respondent No.3 aided and abetted fraudulent misrepresentation by personally witnessing and confirming assurances relating to a property not owned by Respondent No.1, thereby violating Section 12 of the RERA Act. It is stated that Respondent No.3 failed to disclose material facts regarding the actual ownership of Plots Nos.69 and 72 despite having knowledge thereof, amounting to suppression of material facts in violation of Sections 12 and 18 of the Act. The Complainant has also alleged that Respondent No.3's participation facilitated the Complainant's additional capital gains tax liability of Rs.17,04,750/- and mental distress, attracting Sections 18(1)(a), 38 and 71 of the RERA Act. It is further stated that by endorsing inconsistent cheque issuance and delays, Respondent No.3 contributed to creating circumstances intended to mischaracterize the dispute as a cheque-bounce issue, thereby obstructing justice.

37. In view of the admissions made by Respondent No.3 and the alleged violations, the Complainant has prayed that the admissions of Respondent No.3 be taken as corroborative evidence in support of the original complaint and the rejoinder dated 08.09.2025 along with Annexure A, that Respondent No.3 be held jointly and severally liable along with Respondent Nos.1 and 4 for fraudulent misrepresentation, harassment and financial loss, and that costs, compensation and punitive measures be imposed under Sections 35 and 38 of the RERA Act. The Complainant has further sought a direction for reimbursement of Rs.17,04,750/- towards capital gains tax with applicable interest and has prayed that all other reliefs sought in the rejoinder dated 08.09.2025 be upheld.

G. Points to be determined:

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

I. Whether the Respondent has violated Sections 3 & 4 of the RE(R&D) Act, 2016 by not registering the project, Diamond Sai Teja Township?

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

H. Observations of the Authority:

Point I

Whether the Respondent has violated Sections 3 & 4 of the RE(R&D) Act, 2016 by not registering the project, Diamond Sai Teja Township?

39. Upon careful consideration of the pleadings, documents and material placed on record, this Authority observes that the Complainant booked a residential plot in a project styled as "Diamond Sai Teja Township" / "Sai Teja Township", situated in Survey No. 494 of Nadargul Village, near Delhi Public School, Aadibatla. It is evident from the complaint, the Agreement of Sale dated 04.12.2024, the receipts issued by Respondent No.4, and the promotional material placed on record that the Respondent No.4, actively advertised, marketed and offered for sale plots in the said project and collected substantial amounts from the Complainant towards sale consideration.

40. This Authority notes that the project "Diamond Sai Teja Township" was projected as a HMDA-approved plotted layout bearing L.P. No. 000271/LO/PLG/HMDA/2018 and was represented as a legitimate venture. The Complainant had entered into the transaction and had parted with large sums of money on the basis of these representations. The materials on record

clearly establish that the Respondent No.4, undertook booking of plots, executed an Agreement of Sale, and collected booking amounts and further sale consideration well before the registration of the project under the Real Estate (Regulation and Development) Act, 2016.

41. It is further noted that this Authority had issued a Show Cause Notice dated 08.07.2025 to the Respondent No.4, calling upon him to explain the violation of Sections 3 and 4 of the RE(R&D) Act, 2016 in respect of the project "Diamond Sai Teja Township." Despite multiple opportunities afforded during the course of the proceedings, the Respondent No.4 has failed to submit any reply or explanation to the said notice. In the absence of any response from the Respondent, this Authority is constrained to proceed on the basis of the material available on record.

42. Section 3(1) of the RE(R&D) Act, 2016 categorically provides that no promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building in any real estate project or part thereof in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under the Act. Section 3(2)(a) of the Act carves out a limited exemption from registration only in cases where the area of land proposed to be developed does not exceed 500 square metres or the number of apartments proposed to be developed does not exceed eight.

43. In the present case, it is evident from the layout plan, brochures and promotional material placed on record that the project "Diamond Sai Teja Township" consists of 94 plots and is spread over a total extent of approximately 10.37 acres. The scale and extent of the project are far in excess of the statutory thresholds prescribed under Section 3(2)(a) of the RE(R&D) Act. Therefore, the project does not qualify for the exemption from registration and squarely attracts the mandatory requirement of registration under Section 3 of the said Act.

44. This Authority further observes that despite the clear statutory mandate, the Respondent No.4, proceeded to launch, market and sell plots in the said project and collected substantial amounts from the Complainant without obtaining registration. Such conduct amounts to a direct and clear contravention of Section 3 of the RE(R&D) Act.

45. Further, Section 4 of the RE(R&D) Act mandates that every promoter shall make an application for registration of the real estate project with the Authority, accompanied by all requisite approvals and disclosures, before undertaking any activity contemplated under Section 3 of the Act. In the present case, a perusal of the records maintained by this Authority clearly demonstrates that no application for registration of the project "Diamond Sai Teja

Township" has ever been submitted by the Respondent No.4, nor has any registration been granted. Despite the absence of registration, the said Respondent proceeded to advertise, market and offer plots for sale and collected substantial amounts from the Complainant. Further, the advertisements and promotional materials placed on record portray the project as a "RERA-approved" venture. Such portrayal, in the absence of any registration under the RE(R&D) Act, amounts to a false and misleading representation, which strikes at the very core of the transparency and disclosure framework envisaged under the said Act and constitutes a clear violation of the statutory obligations cast upon the promoter.

46. In view of the above, this Authority holds that the Respondent No.4, has violated Sections 3 and 4 of the Real Estate (Regulation and Development) Act, 2016 by launching, marketing and offering for sale the project "Diamond Sai Teja Township" without registration with this Authority and by collecting booking amounts and sale consideration from the Complainant in clear contravention of the statutory mandate. Therefore, the Secretary, Telangana State Real Estate Regulatory Authority, is directed to initiate steps against the Respondent No.4, under Section 59 of the RE(R&D) Act for violation of Sections 3 and 4 of the said Act.

Point II

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

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47. At the outset, this Authority notes that Respondent No.4, namely *M/s Diamond Green Cities Private Limited*, is represented by Respondent No.1, *Mr. K. Baburam Naik,* as its Managing Director. The Agreement of Sale in the present case has been executed by Respondent No.4, represented by Respondent No.1, and all receipts acknowledging payment of sale consideration have also been issued by Respondent No.4. Respondent No.1 has acted throughout in his capacity as Managing Director of Respondent No.4, and the counsel representing Respondent No.1 has also represented Respondent No.4. Accordingly, the counter filed by Respondent No.1 is treated as the counter on behalf of Respondent Nos.1 and 4.

48. It is further observed that despite due service of notice through registered post as well as personal service, Respondent No.2 has failed to appear before this Authority and has neither filed any counter nor made any submissions to contest the allegations raised by the Complainant. Being satisfied that due process has been followed and adequate opportunity was afforded, this Authority was constrained to proceed ex parte against Respondent No.2.

49. The case of the Complainant is that he entered into an Agreement of Sale with Respondent No.4 for purchase of Plot No.69 and subsequently shifted to Plot No.72 in the project "Diamond Sai Teja Township," and that pursuant thereto, he paid an aggregate amount of ₹1,15,00,000/-. The Complainant asserts that despite receipt of the entire consideration amount and repeated assurances, the Respondents failed to register the plot in his favour. The Complainant further contends that upon verification through the Encumbrance Certificate, it came to light that Plot No.72 stands registered in the name of a third party and was never owned by Respondent Nos.1 or 4. It is alleged that the Respondents, despite being aware of the lack of title, continued to collect money, issued assurance cheques without sufficient funds, and repeatedly postponed registration. The Complainant therefore seeks either registration of the plot or, in the alternative, refund of the entire amount paid.

50. Respondent No.1, who represents Respondent No.4 as its Managing Director, in his counter and during the course of arguments, has contended that the Agreement of Sale stood cancelled at the request of the Complainant and that two cheques bearing No.353137 dated 15.03.2025 for ₹85,00,000/- and No.353136 dated 15.03.2025 for ₹60,00,000/- were issued towards refund of the amount received. It is contended that once the said cheques were issued, the transaction stood settled, the Agreement of Sale stood cancelled, and the Complainant ceased to have any right under the said Agreement. According to Respondent No.1, if the Complainant had any grievance, the same ought to have been pursued on the basis of the cheques and not under the Agreement of Sale. Respondent No.1 has also stated that he is ready to execute the Sale Deed in favour of the Complainant in respect of Plot No.72, subject to payment of the balance sale consideration and return of the cheques issued.

51. On a careful consideration of the material on record, it is evident that the Complainant has paid a total sum of ₹1,15,00,000/- to Respondent No.4. The receipts evidencing such payments have been placed on record and the factum of receipt of the said amount is not disputed by Respondent Nos.1 and 4. The counter filed by Respondent No.3, who has supported the Complainant, further corroborates the payment of the entire sale consideration by the Complainant.

52. Upon perusal of the Encumbrance Certificate placed on record, it is evident that Plot No.72 stands registered in the name of one Sri B. Vikram Reddy, and not in the name of Respondent Nos.1 or 4. The assertion of the Complainant that the said plot belongs to a third party has not been disputed by Respondent Nos.1 and 4. Significantly, Respondent Nos.1 and

4 have not placed on record any document to establish clear title or lawful authority over Plot No.72 so as to convey the same to the Complainant. Mere assertions that the plot would be registered, in the absence of any cogent documentary evidence of title, cannot be accepted by this Authority.

53. The Complainant has submitted that he did not encash the cheques issued by Respondent No.1 as there were no sufficient funds in the account of Respondent No.1. It is also stated that the cheques were replaced subsequently and were again given only as assurance. This version of the Complainant stands fully corroborated by the counter filed by Respondent No.3, who has categorically stated that the cheques were issued only as assurance. In such circumstances, the Complainant cannot be expected to encash cheques which were admittedly not issued towards actual refund.

54. It is observed from the Agreement of Sale dated 04.12.2024 and the subsequent agreement between the parties, that the tentative date for registration was initially fixed as 12.12.2024 and was subsequently extended to 25.02.2025. Despite receipt of the entire sale consideration, Respondent Nos.1 and 4 failed to register Plot No.72 in favour of the Complainant within the stipulated or extended timelines. This clearly establishes failure on the part of Respondent Nos.1 and 4 to fulfil their contractual obligations.

55. In this regard, attention is drawn to Section 18(1) of the RE(R&D) Act, which provides that:

> *"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."*

56. Reliance is placed on the judgment of the Hon'ble Supreme Court of India in ***Civil Appeal Nos. 3581-3590 of 2022, Civil Appeal Diary No. 9796/2019, M/s Imperia Structures Limited vs. Anil Patni & Others,*** wherein it was held:

" In terms of Section 18 of the RERA Act, if a promoter fails to complete or is unable to give possession of an apartment duly completed by the date specified in the agreement, the Promoter would be liable, on demand, to return the amount received by him in respect of that apartment if the allottee wishes to withdraw from the Project. Such right of an allottee is specifically made "without prejudice to any other remedy available to him". The right so given to the allottee is unqualified and if availed, the money deposited by the allottee has to be refunded with interest at such rate as may be prescribed. The proviso to Section 18(1) contemplates a situation where the allottee does not intend to withdraw from the Project. In that case he is entitled to and must be paid interest for every month of delay till the handing over of the possession. It is upto the allottee to proceed either under Section 18(1) or under proviso to Section 18(1)."

57. Similarly, in ***Civil Appeal Nos. 6745-6749 of 2021, M/s Newtech Promoters and Developers Private Limited vs. State of UP & Others,*** the Hon'ble Supreme Court observed:

"Section 18(1) of the Act spells out the consequences if the promoter fails to complete or is unable to give possession of an apartment, plot or building either in terms of the agreement for sale or to complete the project by the date specified therein or on account of discontinuance of his business as a developer either on account of suspension or revocation of the registration under the Act or for any other reason, the allottee/home buyer holds an unqualified right to seek refund of the amount with interest at such rate as may be prescribed in this behalf."

58. In the present case, this Authority is of the considered view that the Complainant, having paid a substantial amount in anticipation of registration of Plot No.72, has been wrongfully deprived of the same due to the failure of Respondent Nos.1 and 4. The Complainant cannot be expected to wait indefinitely for registration of a plot over which the Respondents themselves do not hold title. The Complainant has categorically expressed that he is no longer interested in registration of Plot No.72 and seeks refund of the entire amount paid along with interest.

59. Since the Agreement of Sale has been executed by Respondent No.4 and the receipts acknowledging the payments have also been issued by Respondent No.4, the liability to refund the amount rests solely on Respondent No.4. Respondent No.2 has not participated in the transaction and Respondent No.3 has acted only as a witness/sales representative and has not received any portion of the sale consideration. Accordingly, no liability can be fastened upon Respondent Nos.2 and 3.

60. In view of the above, this Authority holds that the Complainant is entitled to the relief sought to the extent of refund along with interest. Respondent No.4 is directed to refund the entire amount of ₹1,15,00,000/- paid by the Complainant, along with interest at the rate of State Bank of India's Marginal Cost of Lending Rate (MCLR) plus 2% per annum, calculated from the respective dates of payment made by the Complainant until the date of actual refund by the Respondent.

I. Directions of the Authority:

61. In exercise of the powers conferred upon this Authority under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, and in furtherance of the findings and conclusions drawn hereinabove, the following directions are hereby issued:

i. The Authority, taking note of the Respondent No.4's violations of Sections 3 and 4 of the Real Estate (Regulation & Development) Act, 2016, hereby directs the Secretary, Telangana RERA, to immediately initiate steps under Section 59 of the RE(R&D) Act, for imposition of appropriate penalty upon the Respondent No.4, subject to the approval of the Authority, for the aforesaid violations.

ii. The Respondent No.4, is directed to refund the entire amount of Rs.1,15,00,000/- (Rupees One Crore Fifteen Lakhs Only) along with interest at the rate of 10.70% per annum (SBI MCLR of 8.70% + 2%) calculated from the respective dates of payment made by the Complainant until the date of actual refund by the Respondent. The said refund together with interest shall be made within thirty (30) days from the date of receipt of this order.

62. Failing to comply with the above-said direction by Respondents shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.

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

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