

TELANGANA REAL ESTATE APPELLATE TRIBUNAL: HYDERABAD

Krishna Hostel, First Floor, Dr. MCR HRD Institute Campus, Road No.25,
MP & MLAs Colony, Jubilee Hills, Hyderabad-500 033.

CORAM: Hon'ble Sri Justice A. Santhosh Reddy, Chairperson
Hon'ble Sri P. Pradeep Kumar Reddy, Judicial Member
Hon'ble Sri Vemula Sreekar, Administrative Member

T.A.No. 8 of 2026

Between:

M/s Aliens Developers Private Limited
Represented by its authorized representative
Venkata Prasanna Challa, S/o CVR Choudhary,
46 years, Joint Managing Director,
Aliens Space Station, Sy.Nos.384 & 385, Tellapur,
Gachibowli, Hyderabad-502032.

...Appellant/Developer

AND

1.Telangana Real Estate Regulatory Authority,
DTCP Building, Ground Floor, 640, A.C. Guards,
Masab Tank, Red Hills, Hyderabad.

... Respondent

2.Bakki Sneha, Major, House No.13-5-431/5/C,
Tallagadda, Karwan, Hyderabad.

...Respondent/complainant

Counsel for Appellant : Mr. M. Ashwin Reddy

Respondent No.2 : Party-in-person

Date of Decision : 20.07.2026

ORDER:: *(Per Hon'ble Sri Justice A. Santhosh Reddy)*

This appeal is filed at the instance of appellant/ developer assailing the Order, dated 12.11.2025, passed by the Telangana Real Estate Regulatory Authority, Hyderabad, (hereinafter referred to as 'the Regulatory Authority'), in Complaint No. 355 of 2025, whereby the complaint filed by the 2nd respondent/complainant has been disposed of with the following direction:

"Appellant/developer is directed to refund Rs. 2,00,000/- to the complainant within 30 (thirty) days from the of date receipt of the Order, failing which he shall attract penalty in accordance with the provisions of Section 63 of the Real Estate (Regulation & Development) Act, 2016 (for brevity 'the Act').

2. Brief facts of the case, as per the complaint filed by the 2nd respondent/complainant, are that she had booked a Flat No.544 in the appellant project and paid an advance amount of Rs.2,50,000/- by way of a cheque on 31.05.2020 and the same was duly acknowledged and a receipt was issued by the appellant/developer. Subsequently, the complainant orally communicated the cancellation of the said flat booking to one Sriram, an authorized representative of the appellant, who had originally collected the booking amount and as such the appellant

sent the Cancellation Deed to the complainant for signature. The complainant duly signed and returned the Cancellation Deed, which was formally executed on 18.11.2021. As partial refund, the appellant transferred ₹50,000/- to the complainant's bank account bearing No. 04011010003633 in October 2022. It is further stated that despite repeated oral and in-person follow-ups by the complainant, the balance amount of ₹2,00,000/- remains unpaid as on the date of filing of this complaint. The appellant has neither communicated nor provided any valid reason for withholding the refund. Therefore, aggrieved by the action of the appellant, the complainant sought for the following reliefs:

- a. Interest on ₹2,50,000/- @ 6% per annum from 31.05.2020 (date of initial payment) till October 2022 (when partial refund of ₹50,000/- was made), in recognition of the holding of the complainant's funds by the appellant for over two years.
- b. Direction to the appellant to immediately refund the balance amount of ₹2,00,000/- to the complainant, along with interest @ 6% per annum from October 2022 till the date of actual payment.
- c. Award of costs, in view of the complainant's repeated personal visits and mental and financial hardship faced in pursuing the refund for several years without redressal.

3. Appellant/ developer filed a Counter, *inter alia*, contending that the complaint is liable to be dismissed at the threshold since the complainant has not cited any specific provision or rule under the Real Estate (Regulation and Development) Act, 2016, (for brevity 'the Act') which is allegedly violated. The complaint lacks the foundational legal basis to constitute a *prima facie* cause of action under the RERA framework. It is further stated that the complainant voluntarily relinquished her status as an "allottee" within the meaning of Section 2(d) of the Act. The complainant unilaterally requested cancellation of the allotment without furnishing any justifiable cause or lawful basis and as such the appellant cancelled the booking of flat. In such circumstances, the complainant ceases to fall within the definition of an "allottee," and the jurisdiction of the Regulatory Authority is thereby ousted. It is further stated that no provision under the Act enables a non-allottee to seek refund or invoke the jurisdiction of the Authority. As per Section 2(d) of the Act, an "allottee" is defined as a person to whom a unit has been allotted or sold, but does not include a person to whom such unit is merely given on rent. Once the allotment has been cancelled, the complainant cannot claim to retain the status of an allottee, and as such, lacks the requisite locus to maintain the present proceedings. It is further asserted that the allegations

made in the complaint are fabricated with the intent to cause wrongful loss and harassment to the appellant. It is further stated that the underlying dispute pertains to the enforcement and effect of a Cancellation Deed voluntarily executed between the parties. Such dispute, being contractual in nature, fall outside the purview of RERA and lie exclusively within the jurisdiction of the competent civil courts. It is further stated that Section 31 of the Act permits a complaint only where there is a violation of the Act by a promoter. No such violation has been pleaded or established in the instant case. The booking of the flat was made voluntarily by the complainant after due verification of title and approvals. The cancellation, being at the sole instance of the complainant without any allegations of deficiency or delay, makes it apparent that the complainant acted unilaterally and not due to any violation by the appellant.

4. The appellant has relied upon the authoritative pronouncements of the Hon'ble Supreme Court, in *Maula Bux v. Union of India*, {(1970) 1 SCR 928}, and *Sirdar K.B. Ram Chandra Raj Urs v. Sarah C. Urs*, {(2015) 4 SCC 136}, to submit that forfeiture of amounts in the event of cancellation must be reasonable, and in the absence of actual damage, the forfeiting party must refund the amount. The NCDRC has consistently held that forfeiture

of more than 10% as earnest money is impermissible in such cases. It is further stated that despite the above legal position entitling it to forfeit 10% of the sale consideration, the appellant in good faith refunded the entire booking amount of ₹2,50,000/- to the complainant. It is further stated that having received full refund without any deduction, the complainant has no surviving claim or grievance against the appellant and as such, the present complaint is rendered infructuous and deserves to be dismissed. The appellant further submits that for a refund to be ordered under the Act, there must be a violation of specific provisions such as Sections 7, 11(5), 12, 14, 18 or 19. In the instant case, no such violation has occurred and there has been no false advertisement, no change in sanctioned plans, and no delay in possession. The cancellation was purely at the behest of the complainant. The appellant further stated that, by executing the Deed of Cancellation and accepting the refund in full, the complainant has relinquished all rights, claims, or interests in the said project. The Complainant cannot now, by way of this complaint, seek benefits beyond the agreed terms. It is a settled position of law that one who does not hold any subsisting interest in a project cannot maintain a complaint under the Act. The Regulatory Authority is vested with limited jurisdiction under the RERA framework and cannot grant reliefs beyond

what is contemplated under the Act or those voluntarily agreed between parties. The decisions of the Maharashtra RERA in *Urban Infrastructure Trustees Ltd. & Anr. v. Macrotech Developers Ltd.* [CC006000000251910] and *Itsekhar Yusuf Sheikh v. Dhruva Woolen Mills Pvt. Ltd.* [CC0060000000259] affirm that only parties having a subsisting legal interest in the project may invoke RERA jurisdiction. Section 18 provides for interest only under an Agreement for Sale, not under a Cancellation Deed. Therefore, the complaint filed by the 2nd respondent is liable to be dismissed.

5. After hearing the complainant and the learned Counsel appearing for the developer and perusing the entire material available on record, the learned Regulatory Authority, vide impugned order, dated 12.11.2025, disposed of the complaint filed by the complainant as stated supra.

6. Being not satisfied with the aforesaid order of the learned Regulatory Authority, the appellant/developer filed the present appeal.

7. We have heard the learned Counsel appearing for the appellant and the 2nd respondent/complainant and have gone through the entire material placed on record.

8. The point that arises for consideration in this appeal is as under:

Whether the impugned order, dated 12.11.2025, passed by the learned Regulatory Authority is sustainable in law?

POINT ::

9. Admittedly, the 2nd respondent/complainant had booked a 3BHK Flat bearing No. 544, situated on the 5th floor of Station-7, admeasuring 1687 sq. ft., in the appellant/ developer project on 31.05.2020 and that she had paid an advance amount of Rs. 2,50,000/- by way of a cheque and the same was acknowledged and a receipt was issued by the appellant. It is also admitted by both the parties that the said booking of the Flat was cancelled and accordingly a Deed of Cancellation, dated 18.11.2020, has been executed between the parties, wherein the appellant agreed to refund the total advance amount of Rs.2,50,000/- to the complainant within the specified timeline mentioned therein.

10. In the Counter filed on behalf of the 2nd respondent/complainant before this Tribunal, it is stated that the appellant has refunded the principal amount to the complainant, however, she seeks a direction to the appellant to pay compensation for the sufferings caused by the appellant's delay in payment.

11. The main contention of the learned Counsel for the appellant/developer is that the 2nd respondent/complainant, having voluntarily cancelled the booking of the subject flat, has ceased to have the status of an allottee under the provisions of the Act and as such she

cannot invoke the jurisdiction of Regulatory Authority or this Tribunal. His further contention is that the dispute, which arises from out of a Deed of Cancellation, is purely contractual in nature and the same should be adjudicated by a competent Civil Court and as such the complaint itself is not maintainable.

12. In order to determine the maintainability of the complaint, the status of the complainant as allottee needs to be considered. Under the Act, the term "allottee" is defined in Section 2(d), which reads as under:

‘allottee’ in relation to a real estate project, means the person to whom a plot, apartment or building, as the case may be, has been allotted, sold (whether as freehold or leasehold) or otherwise transferred by the promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or otherwise but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent;”

13. It is undoubtedly clear from the aforesaid provision that a person to whom a plot, apartment or a building has been allotted in relation to a real estate project is considered as an ‘allottee’. In the instant case, the 2nd respondent/complainant has been allotted a 3BHK flat bearing No. 544 in the appellant Project. Thus, the 2nd respondent/complainant held the status of an allottee. The contention of the appellant is that such status stood extinguished upon cancellation of the flat. A plain reading of the

Deed of Cancellation reveals that it does not bear any date of execution nor signature of the appellant/developer.

14. In the present case, it is evident that the appellant/developer had not refunded the agreed amount at the time of filing of the complaint by the 2nd respondent/complainant i.e.,15.05.2025. The cancellation of allotment becomes final only when the entire refund amount is remitted back to the complainant as agreed. Since the cancellation has not attained its finality, the 2nd respondent/complainant continues to be recognized as an allottee, rendering the appellant's contention that the 2nd respondent/complainant has ceased to be an allottee untenable.

15. The next contention of the learned Counsel for the appellant/developer is that the complaint filed by the 2nd respondent/complainant deserves to be dismissed on the ground that no subsisting cause of action survives inasmuch as the appellant had already paid the refund amount to the 2nd respondent. As per the Deed of Cancellation, the appellant agreed to refund the total amount of Rs.2,50,000/- in two equal instalments of Rs.1,25,000/- in the month of April, 2021 and May, 2021. The 2nd respondent/complainant submitted that she had already received Rs.50,000/- from the appellant in the month of October, 2022. The contention of the learned Counsel for the appellant

is that the appellant has refunded remaining amount of Rs.2,00,000/- on 30.07.2025 by way of Demand Draft No.601897, dated 25.07.2025, drawn on HDFC Bank and remitted to the Union Bank account of the 2nd respondent/complainant. However, the appellant has not produced the copy of Demand Draft, but has produced the counterfoil of 'Details of cash/cheque', dated 30.07.2025, of Union Bank of India, Serilingampally. Thus, cause of action continued to subsist as on the date of institution of the complaint and as such the 2nd respondent/complainant continues to enjoy the status of an allottee.

16. So far as the relief claimed by the 2nd respondent/complainant is concerned, the 2nd respondent has failed to produce any substantial evidence explaining the reasons for cancellation of the booking of the subject flat. The appellant/developer has also not complied with the payment schedule mentioned in the cancellation deed. Therefore, keeping in view the larger interest of justice and equity, the learned Regulatory Authority has rightly held that the 2nd respondent/complainant, being an allottee, is entitled to seek refund of the balance amount of Rs.2,00,000/-, but she is not entitled to any interest on the said amount as she has failed to establish any reason for cancellation of the allotment of the flat.

17. Since the appellant/developer has complied with the impugned order of the learned Regulatory Authority by refunding the amount of Rs.2,00,000/- paid by the 2nd respondent/complainant and the 2nd respondent/complainant has admitted the same in the reply/counter filed by her before this Tribunal, we are of the considered opinion that nothing survives for further adjudication in this appeal and all the contentions raised in this appeal by the learned Counsel for the appellant are held as not tenable.

18. In the result, the appeal is disposed of with the above observation. There shall be no order as to costs.

Pending miscellaneous applications, if any, shall stand closed.

Registry is directed to transmit a copy of this order to the parties and the learned Regulatory Authority as per Section 44 (4) of the Act.

SD/-

**A. SANTHOSH REDDY, J
(CHAIRPERSON)**

SD/-

**P. PRADEEP KUMAR REDDY
(JUDICIAL MEMBER)**

SD/-

**VEMULA SREEKAR
(ADMINISTRATIVE MEMBER)**

20.07.2026

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