

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

Complaint No. 286 of 2024

Dated: 23rd June 2025

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

Mercy Thankachan

(R/o Plot no.15 Dew drops Colony, Bollaram Near ARK Homes, Secundrabad- 500010))

...Complainant

Versus

1. M/s Devas Infra Ventures

(C/o GVS India Private Ltd, rep Sri Suryanaryana Reddy, h.no. 8-3-898/7, Nagarjuna Nagar Colony, Ameerpet, Hyd- 500073)

2. M/s Bhuvanteza Infra Projects Pvt.Ltd

(Rep by its Sri Chekka Venkata Subrahmanyam, H.no.201, 2nd floor, LumbaniAmrutha Chambers, Nagarjuna Cicrle, Road no.3, Banjara Hills, Hyd – Telangana – 500082))

...Respondents

The present matter filed by the Complainants herein came up for hearing on 06.02.20245 before this Authority in presence of Complainant and Respondent 1-2 remained *ex-parte*; upon pursuing the material on record and on hearing argument of the complainant and having stood over for consideration till this day, the following order is passed:

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 “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. The Brief facts of the case as per allegations/averments contained in the complaint are as follow:

3. The present complaint has been filed by the Complainant alleging inordinate delay and deviation from the agreed terms in respect of a residential unit in the real estate project.

4. It is submitted that Respondent No.1, acting as a vendor to Respondent No.2, initially entered into an agreement for a real estate development project titled "*Happy Homes 2*" on 05.01.2021. As per the said agreement, the project was to be completed and possession handed over within a period of 36 months.

5. Relying on the above representations, the Complainant proceeded to book a unit in the said project and entered into an agreement with the Respondents. Pursuant thereto, the Complainant paid a sum of ₹21,20,000/- and was allotted Unit No. 314, situated on the 3rd Floor of Block-B.

6. However, despite the passage of several months, the construction activity did not commence at the site. On making inquiries with the Respondents, the Complainant was repeatedly given assurances that construction would begin shortly, but such statements turned out to be misleading and illusory.

7. To the utter shock and dismay of the Complainant, it was later revealed that the "*Happy Homes 2*" project had been indefinitely put on hold, without any formal intimation or communication to the allottees.

8. Furthermore, the Complainant was informed that their agreement had been arbitrarily shifted to a different project, namely "*Happy Homes 1*", without obtaining any prior consent or approval from the Complainant.

9. Thereafter, Respondent No.1 directed the Complainant to liaise directly with Respondent No.2, being the principal developer of "*Happy Homes 1*", for further information and proceedings.

10. On approaching Respondent No.2, the Complainant was asked to make an additional payment of ₹6,00,000/- to expedite the registration process. Relying on this assurance, the Complainant made the said payment and was assured of registration of a unit admeasuring 46 square yards.

11. In total, the Complainant has paid a cumulative sum of ₹27,20,000/- in respect of Flat No.112, situated on the 1st Floor of Block-A, admeasuring 1550 sq. ft., under the “Happy Homes 1” project, for which an Agreement of Sale was executed on 11.11.2021.

12. As per the Agreement, the possession of the said unit was to be handed over within 36 months, i.e., on or before 11.11.2024.

13. However, as on date, there has been no significant progress in the construction activity at the site, and the project remains in its initial stage, causing grave hardship and prejudice to the Complainant.

B. Relief(s) Sought:

14. In light of the aforementioned facts and circumstances, the Complainant humbly prays for the following reliefs:

- 1) Direction to the Respondents to complete the construction of the subject unit and execute the registration of the property in the name of the Complainant, within a time-bound manner;
- 2) In the alternative, if the construction of the subject unit is not feasible, to allot and register a suitable alternative unit of equal value and specification in lieu thereof;
- 3) In the further alternative, to direct the Respondents to refund the entire amount of ₹27,20,000/- paid by the Complainant, along with interest at such rate as this Hon’ble Authority deems just and proper;
- 4) Alternatively, if neither of the above remedies is viable, to allot and register an equivalent parcel of land of corresponding value in favour of the Complainant;

C. Observation of the Authority:

15. Now the points for consideration are:

Whether the complainant is entitled for the relief and if so, to what extent?

Whether the Respondents have violated the provisions of RE(R&D) Act?

Point 1 & 2:

16. Upon perusal of the record, it is evident that the Complainant entered into an Agreement of Sale with Respondent No. 2, M/s. Bhuvanteza Infraprojects Pvt. Ltd., through vendor M/s.

Devas Infra Venture Pvt. Ltd. Respondent No. 1 was directed to be contacted for the status and progress of the construction, as they purportedly were the developers of the project. Respondent No. 2, however, assured the Complainant of registration of the unit, demanding additional amounts for the same.

17. The Complainant paid a total sum of ₹27,20,000/- for Unit No. 112, Block A, in the project titled “Happy Homes.” As per the Agreement of Sale, M/s. Bhuvanteza Infraprojects Pvt. Ltd. claimed entitlement over the unit and undertook to develop a residential apartment project named “Happy Homes.” The agreement fixed a total sale consideration of ₹27,20,000/-, fully paid by the Complainant.

18. The Agreement stipulated possession would be delivered within 36 months, with a grace period of 6 months, from the date of obtaining HMDA building permission and RERA registration. Notably, the agreement was modified with mutual consent of the parties, whereby the project was changed from “Happy Homes-II” to “Happy Homes,” effectively revising the date of agreement from 11.11.2021 to 23.03.2023.

19. Before delving into the merits, this Authority notes the possession clause is burdened with several conditionality’s favouring the Promoter. It makes the Complainant’s entitlement to possession dependent upon vague and promoter-dictated conditions. Such clauses are not only uncertain but drafted in a manner that allows the promoter to conveniently avoid obligations, including delay in obtaining approvals and handing over possession. This Authority strongly deprecates the use of such exploitative terms in standard agreements, which take advantage of the dominant position of the promoter. Consumers, having invested substantial lifetime savings, are often compelled to accept such one-sided clauses without negotiation.

20. Respondent No. 2 failed to appear before this Authority despite service attempts. Notices sent were returned marked “Door Locked.” Respondent No. 1 acknowledged receipt of the notice but also failed to appear or submit any response. The Authority notes this is not the first complaint against Respondent No. 2. There is a pattern of repeated non-compliance and deliberate evasion by the said promoter.

21. Accordingly, both Respondents are proceeded against *ex parte*.

22. Now, It is explicitly clear from the Agreement of Sale that the Respondent allotted Unit No. 112, Block A, 1st Floor, measuring 1550 sq. ft., to the Complainant but has failed to

register or deliver possession of the said unit to date. The Complainant prays for registration of the flat or, alternatively, a refund of the paid amount with interest.

23. To determine whether the Complainant is entitled to relief under Sections 11(4)(a) and 18 of the Real Estate (Regulation and Development) Act, 2016 [“RE(R&D) Act”], it is essential to assess whether the Act applies to unregistered projects where registration was mandatory.

24. The Preamble to the RE(R&D) Act emphasizes consumer protection and regulatory oversight in the real estate sector. Section 3(1) mandates registration before any sale or advertisement of a project. Section 3(2) provides limited exemptions from registration but does not exempt the promoter from the substantive obligations under the said Act.

25. Notably, Section 2(zn) defines “real estate project” without making registration a precondition. Thus, even if a project is unregistered, it is still governed by the Act if it otherwise meets the registration criteria. In view of the above, it is well established that if a promoter undertakes activities as defined under Section 2(zk) of the said Act without registering the project when such registration was legally required the project would nevertheless fall within the domain of the Authority. The Hon’ble Supreme Court in *M/s. Newtech Promoters and Developers Pvt. Ltd. v. State of Uttar Pradesh &Ors.*, (2021 SCC OnLine SC 1044), observed that:

“The Authority has jurisdiction to entertain complaints pertaining to refund, interest, or compensation under Sections 12, 14, 18, and 19 even in the absence of registration, if such registration was otherwise required under the Act.”

26. The definition of "promoter" under Section 2(zk) includes any person who develops land into a real estate project. Respondent No. 2 clearly falls within this definition and is liable for obligations under the RE(R&D)Act.

27. The Agreement of Sale on record clearly establishes that the Complainant has paid the entire sale consideration, and the same has been duly acknowledged by Respondent No. 2. However, despite receipt of the full amount, the registration of the concerned unit has not been effected by the Respondent, without assigning any cogent reason, for causes best known to them.

28. Pertinently, the Complainant has not placed on record any documentary evidence to demonstrate that the project in question has obtained requisite development permissions from the competent authority till date. A bare perusal of the Agreement of Sale reveals that the transaction is in the nature of a pre-launch offer, as the execution of the agreement predates the procurement of statutory approvals. This lends credence to the apprehension that the project may not have attained sanctioned status even at the present stage.

29. In view of the above, and taking into account the fact that the Complainant has, in the alternative, sought either registration of the unit or refund of the amount paid, this Authority is of the considered view that granting the relief of refund along with interest would best serve the ends of justice. Proceeding with registration or possession, without clarity on the legal status of the project, would not be in the Complainant's best interest. Hence, in the absence of necessary permissions for the project, the Authority finds it appropriate to direct refund.

30. As per the mandate of Section 18(1) of the Real Estate (Regulation and Development) Act, 2016, if the promoter fails to complete or is unable to give possession of the apartment, the promoter is obligated to refund the entire amount received from the allottee along with interest. In accordance with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, the applicable interest rate is 11% per annum, which comprises the prevailing State Bank of India's highest Marginal Cost of Lending Rate (MCLR) at 9%, plus an additional 2%.

31. Accordingly, Respondent No. 2 is hereby directed to refund the entire amount received from the Complainant, along with interest at the rate of 11% per annum, calculated from the respective dates of each payment made, as evidenced in the receipts produced on record, until the date of full and final realisation of the said amount by the Complainant.

32. As to Respondent No. 1, having introduced the project and collected initial amounts from the Complainant as per the submissions made by Complainant, fits the definition of a "real estate agent" under Section 2(zm). Despite being involved in facilitation and negotiation, Respondent No. 1 is not registered as an agent with this Authority under Section 9 of the RE(R&D) Act. It is evident that it acted as a real estate agent in facilitating the transaction without registration. Such conduct is in violation of Section 9, and renders the Respondent liable for penalty under Section 62 of the Act.

33. Furthermore, the Agreement of Sale indicates that approvals and RERA registration were not obtained by Respondent No. 2, despite the project exceeding the 500 square meter

threshold under Section 3(2) of RE(R&D) Act, 2016. Thus, Respondent No. 2 was under a legal obligation to register the project before this Authority prior to execution of the Agreement. The failure to do so constitutes a violation of Sections 3 and 4 of the RE(R&D) Act, 2016, making the Respondent liable under Sections 59 and 60 of the said Act.

34. Accordingly, both Point I and Point II are answered in the affirmative in favour of the Complainant.

D. Directions of the Authority:

35. Based on the facts submitted, evidence on record, and the findings given thereon by us as discussed herein above, this Authority holds that the complainant is entitled to the relief as prayed by her, and the same is allowed in her favour, and the Respondents are hereby directed as follows:

- a. Respondent No. 2 is hereby directed to refund the entire amount received from the Complainant, along with interest at the rate of 11% per annum, calculated from the respective dates of each payment made, as evidenced in the receipts produced on record, until the date of full and final realisation of the said amount by the Complainant within forty five (45) days from the date of this Order.
- b. A penalty of Rs. 1,08,800/- (Rupees One lakh eight thousand eight hundred Only) is imposed upon Respondent No. 1 for carrying out real estate transactions in violation of Section 9, read with Section 62 of the RE(R&D) Act. The penalty amount shall be deposited in favor of TGRERA FUND through a Demand Draft or via online payment to Account No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036, within 60 (sixty) days from the date of receipt of this order.
- c. Respondent No. 1 is further directed to forthwith apply for registration as a real estate agent under Section 9 of the RE(R&D) Act. Until such registration is granted, Respondent No. 1 is restrained from engaging in the facilitation of sale or purchase of any plot, apartment, or building, or part thereof, in any real estate project.
- d. For violation of Sections 3 and 4 i.e., for non-registration of the project – “Happy Homes”, the Respondent No.2 is liable for penalty under Sections 59 and 60 respectively, therefore, the Respondent No.2 is directed to pay penalty of Rs.6,45,750 (Rupees Six lakhs forty five thousand seven hundred and fifty only) payable within 30

days in favour of TGRERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036;

e. Respondent No. 2 is hereby restrained from, in any manner whatsoever, advertising, marketing, booking, selling, or offering for sale, or inviting any person to purchase any unit in the project titled “Happy Homes”, either directly or indirectly.

36. The Respondents are hereby informed that failure to comply with the directions issued herein shall attract further penal consequences under Section 63 of the RE(R&D) Act.

37. The complaint is disposed of with these directions. There shall be no order as to costs.

Sd-
Sri. K. Srinivasa Rao
Hon’ble Member
TG RERA

Sd-
Sri. Laxminaryana Jannu
Hon’ble Member
TG RERA

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

