

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Date: 22nd April, 2026

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

COMPLAINT NO. 447/2025/TGRERA

Byreddy Prabhakara Reddy

*(R/o Plot No 54/ part west, 3rd floor,
Swasthik Nagar, Puppalaguda, Manikonda (Post),
RR Dist., Hyderabad-500089, Telangana, India.)*

...Complainant

Versus

Pranith Koncepts Pvt Ltd, Represented by its Director P N Suresh

*(Office at 1st Floor, Pranith Aahana Building,
Near Mahatma Gandhi Park, Road No 29,
Alkapuri Township, Puppalaguda, Manikonda (P),
Gandipet (M) RR Dist. Hyderabad-500089.)*

...Respondent

The present matter filed by the Complainant came up for hearing before this Authority, in the presence of the Complainant in person, and no one appeared for the Respondents despite due service of notice. After hearing the Complainant's submissions, the matter was set ex parte. This Authority now 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 "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 stated by the Complainants, are as follows:

3. It was submitted by the Complainant, Sri B. Prabhakara Reddy, son of the late B. Ramachandra Reddy, that he was a bona fide allottee whose rights, as protected under the Real Estate (Regulation and Development) Act, 2016, had been severely violated.

4. The Complainant averred that the Respondent, M/s Pranith Concepts Pvt. Ltd. (bearing GST No: 36AAKCP53580129), a company incorporated under the provisions of the Companies Act, having its registered office at 1st Floor, TNR Gandrilla House, Street No. 4, Road No. 29, Alkapuri Township, Puppalaguda, Manikonda (P), Gandipet (M), R.R. District, represented through its Director, Mr. P.N. Suresh, approached him in the month of July 2020. The Respondent proposed the sale of a flat in their then-proposed project named "Pranith Ambience," located at Survey No. 181/Part, Puppalaguda Village, Gandipet Mandal, Ranga Reddy District, Telangana.

5. Showing interest in purchasing a flat for his personal needs, the Complainant booked Flat No. 704, situated on the seventh floor of Block F, admeasuring a built-up area of 1600 square feet, in the month of August 2020.

6. Detailing the financial transactions, it was submitted that the Complainant made an initial payment of Rs. 43,79,500/- (Rupees Forty-Three Lakhs Seventy-Nine Thousand Five Hundred only) to the Respondent company, represented by its Director, Mr. P.N. Suresh, through a combination of cheque, cash, and online account transfers. Following this substantial payment, the Respondent issued an Agreement of Sale dated October 5, 2020. Subsequently, an additional amount of Rs. 2,60,500/- (Rupees Two Lakhs Sixty Thousand Five Hundred only) was paid to the Respondent via Cheque No. 45, resulting in the issuance of a second Agreement of Sale dated August 2, 2022.

7. To fulfill the payment obligations for the purchase of the said flat, it was brought to the record that the Complainant's son, Byreddy Sreekanth Reddy, secured a personal loan of Rs. 11,00,000/- (Rupees Eleven Lakhs only) from HDFC Bank vide Loan Number 112320414, dated August 19, 2020. The said loan carried an EMI of Rs. 23,780/- for a tenure of 60 months, ending in August 2025. The total repayment amount for this loan stood at Rs. 14,26,800/-, which included an interest component of Rs. 3,26,800/-.

8. The Complainant further submitted that the Respondent had provided a firm assurance to hand over possession of Flat No. 704 in Block F within a period of one and a half years, coupled with a grace period of six months from the date of the agreement, bringing the promised deadline to August 2, 2024. Additionally, it was pointed out that the price quotation provided by the Respondent explicitly stated that the total amount paid included one-time maintenance charges for a period of 24 months up to August 2026, which logically implied that possession must have been intended to be delivered by August 2024. However, despite the

lapse of this promised timeline, the Respondent had completely failed to hand over possession. The Complainant revealed that, as of the present date, the construction had stalled, with only two floors of slab work completed out of the proposed seven floors for Block F.

9. Raising severe statutory and regulatory violations, the Complainant averred that he had learned that the Respondent had not obtained the mandatory RERA registration number, nor had they secured plan approvals for Blocks E, F, and G to date. Most critically, it was submitted that there was no possibility of the authorities issuing plan approvals for seven floors, as only five floors were permissible. Despite this fundamental legal restriction, the Respondent had unlawfully collected amounts from the Complainant for a flat located on the seventh floor.

10. The Complainant alleged that despite several telephonic reminders and communications, the Respondent deliberately delayed handing over possession, putting the matter off on one pretext or another. It was further brought to the Authority's notice that the Respondent had allegedly diverted the funds collected from the purchasers to other projects. These other projects included "Pranith Megistic" (located behind Scholars Academy School, Alkapur Township), "KK Towers" (located at Vinayaka Nagar, Puppalaguda), and commercial buildings under construction at Road No. 22 beside Reliance Signature and beside D-Mart in Narsingi. It was also alleged that the builder had engaged in the fraudulent practice of allotting the same flat to more than one person, thereby collecting huge sums of money unlawfully. In light of these grave allegations of financial diversion and multiple allotments, the Complainant earnestly requested the Hon'ble Court to order a detailed police investigation into the matter.

11. In conclusion, it was submitted that the Complainant was a retired senior citizen, aged about 73 years, who had invested his entire lifetime earnings into this property in good faith and with the hope of owning a house for his old age. It was argued that such an egregious delay in handing over possession, coupled with the collection of funds for unapproved floors and the alleged diversion of money, clearly demonstrated the Respondent's dishonest intentions to cheat and defraud the Complainant. Consequently, the Complainant averred that he had been subjected to severe mental harassment for several years and had suffered immense monetary loss due to the fraudulent acts and omissions of the Respondent.

B. Relief(s) Sought

12. Accordingly, the Complainant sought the following relief(s):

- i. To direct the Respondent to complete the project immediately and handover the flat.*

OR

- ii. *To direct the Respondent to return the total amount paid Rs. 46,40,000.00 (Forty-six lacs forty thousand only) with interest from the date of the payment as per law.*
- iii. *To direct the Respondent to pay the compensation of Rs. 10,00,000 (Ten lacs only) for mental agony.*
- iv. *To direct the Respondent to pay the rent amount Rs. 40,000.00 (forty thousand only) from the date 2nd August 2024 as he promised the agreement of sale to handover the flat on 2nd August 2024. To pay the future rent 40,000.00 (forty thousand only) every month till handover the flat or till the date of refund of the amount as ordered by the Hon'ble court.*

C. Point(s) for Consideration

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

- I. Whether the Respondent has violated Section 3 of the Real Estate (Regulation and Development) Act, 2016?
- II. Whether the Complainant is entitled to the relief sought? If so, to what extent?

D. Observations of the Authority

14. The record clearly indicates that despite due service of notice and Show Cause Notice, duly effected through postal service, the Respondent has failed to appear before this Authority or file any written response to contest the allegations made by the Complainant. In these circumstances, and upon being satisfied that due process has been duly followed and all procedural requirements have been complied with, this Authority proceeds ex parte against the Respondent.

Point I

15. This Authority first proceeds to examine whether the Respondent has violated Section 3 of the Real Estate (Regulation and Development) Act, 2016 by marketing, booking, and collecting consideration in respect of Flat No. 704 in Block F of the project "Pranith Ambience" without obtaining registration for the said block under the RE(R&D) Act.

16. Section 3(1) of the Real Estate (Regulation and Development) Act, 2016 mandates in unequivocal terms 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 of it, in any planning area, without first registering the real estate project with the Real Estate Regulatory Authority. The language of the provision is prohibitory and absolute. The embargo extends not merely to the act of sale but to advertisement, marketing, booking, and invitation to purchase.

17. In the present case, it is pertinent to note that this Authority has previously examined the conduct of the same Respondent, M/s. Pranith Concepts Pvt. Ltd., in relation to the very same project "Pranith Concepts Ambience," in Complaint Nos. 425/2025, 426/2025, 427/2025, and 428/2025. Vide Common Interim Order dated 18.02.2026 passed in the said complaints, this Authority made the following prima facie findings, which are directly relevant to the present complaint:

- a) The project stands registered only in respect of Blocks A, C, and D under Registration No. P02400006122.
- b) There were serious allegations of marketing and selling in respect of unregistered Blocks B, E, F, and G, which were not covered under the said registration.
- c) A Show Cause Notice had been issued for unauthorized construction, execution of Agreements of Sale prior to registration, and sale of unregistered blocks.
- d) There was delay in progress of construction even in the registered blocks.

18. Consequent to the said Interim Order dated 18.02.2026, this Authority proceeded to pass a Penalty Order dated 20.02.2026 in Complaint Nos. 425/2025, 426/2025, 427/2025 and 428/2025, holding that the Respondent had advertised, marketed, and sold flats in the project "Pranith Concepts Ambience," Blocks B, E, F, and G, situated at Puppalaguda Village, Ranga Reddy District, without obtaining mandatory registration with this Authority, thereby violating the provisions of Section 3(1) of the RE (R&D) Act, 2016. By virtue of the said Penalty Order dated 20.02.2026, this Authority has already imposed a penalty of Rs. 43,71,221/- (Rupees Forty-Three Lakhs Seventy-One Thousand Two Hundred and Twenty-One Only) upon the Respondent for the said violation, under Section 59 of the RE (R&D) Act, 2016.

19. In the present complaint, the Complainant has been sold Flat No. 704, situated on the 7th floor of Block F, in the same project. Block F is admittedly not covered under RERA

Registration No. P02400006122, which is confined only to Blocks A, C, and D. The Respondent has therefore marketed, booked, and collected substantial consideration from the Complainant in respect of a flat in an unregistered block, in brazen contravention of the mandatory prohibition under Section 3(1) of the RE(R&D) Act. The Agreement of Sale dated 05.10.2020 and the subsequent Agreement of Sale dated 02.08.2022, executed in respect of Flat No. 704 in Block F, are themselves evidence of the Respondent's engagement in sale activity in respect of an unregistered portion of the project.

20. Furthermore, the Complainant has specifically brought to the notice of this Authority that the Respondent had represented that a seventh-floor flat was being sold, whereas only five floors were permissible under the applicable building regulations, making it impossible for the competent authorities to grant plan approvals for a seven-floor structure. The collection of consideration for a flat on a floor that is not capable of being legally approved or constructed is a further aggravation of the Respondent's statutory violations and demonstrates a manifest intent to defraud the homebuyer.

21. Accordingly, this Authority holds that the Respondent has committed a clear and established violation of Section 3(1) of the Real Estate (Regulation and Development) Act, 2016 by marketing, booking, and collecting consideration in respect of Flat No. 704 in Block F, which is not covered under any valid RERA registration. Since a penalty for violation of Section 3 of the RE (R&D) Act, 2016 in respect of the unregistered Blocks B, E, F, and G of the project has already been imposed upon the Respondent vide Penalty Order dated 20.02.2026 in Complaint Nos. 425/2025, 426/2025, 427/2025, and 428/2025, no separate penalty is being imposed through the present order on the same count.

Point I is answered accordingly in the affirmative.

Point II

22. Having established the violation of Section 3 of the RE(R&D) Act, this Authority now proceeds to examine the Complainant's entitlement to the reliefs sought. The Complainant has sought, in the alternative, a refund of the total amount paid of Rs. 46,40,000/- along with interest, compensation of Rs. 10,00,000/- for mental agony, and monthly rent of Rs. 40,000/- from 02.08.2024 until the date of refund or handover.

23. This Authority has carefully examined the financial transactions placed on record. It is established that the Complainant made payments to the Respondent as follows: an initial

payment of Rs. 43,79,500/- (Rupees Forty-Three Lakhs Seventy-Nine Thousand Five Hundred Only) through a combination of cheque, cash, and online transfers pursuant to the Agreement of Sale dated 05.10.2020, and a subsequent payment of Rs. 2,60,500/- (Rupees Two Lakhs Sixty Thousand Five Hundred Only) vide Cheque No. 45 pursuant to the second Agreement of Sale dated 02.08.2022. The total amount paid by the Complainant to the Respondent therefore stands at Rs. 46,40,000/- (Rupees Forty-Six Lakhs Forty Thousand Only).

24. As per the second Agreement of Sale dated 02.08.2022, the Respondent had committed to handing over possession of Flat No. 704 in Block F within a period of one and a half years, with an additional grace period of six months from the date of the agreement. The promised date of delivery of possession accordingly stood at 02.08.2024. As on the date of this Order, the Respondent has completely failed to hand over possession of the said flat. The construction of Block F has stalled at the slab level, with only two floors of slab work completed out of the proposed seven floors. No plan approval has been obtained for Block F, and no RERA registration exists for the said block. The question of delivery of possession of a flat in an unregistered, unapproved, and substantially incomplete block does not therefore arise in the foreseeable future.

25. In the aforesaid circumstances, this Authority proceeds to examine the Complainant's entitlement to refund of the amount paid along with interest under Section 18 of the Real Estate (Regulation and Development) Act, 2016. For ready reference, the relevant portion of Section 18 of the RE (R&D) Act, 2016 is reproduced hereunder:

"18. Return of amount and compensation.— (1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building,—

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

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

the promoter shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act:

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

(2) The promoter shall compensate the allottees in case of any loss caused to him due to defective title of the land, on which the project is being developed or has been developed, in the manner as provided under this Act, and the claim for compensation under this sub-section shall not be barred by limitation provided under any law for the time being in force.

(3) If the promoter fails to discharge any other obligations imposed on him under this Act or the rules or regulations made thereunder or in accordance with the terms and conditions of the agreement for sale, he shall be liable to pay such compensation to the allottees, in the manner as provided under this Act."

26. In the present case, the Respondent has failed to complete construction and deliver possession of Flat No. 704 in Block F in accordance with the terms of the Agreement of Sale by the promised date of 02.08.2024. The Complainant has sought withdrawal from the project and refund of the entire amount paid. Given the status of the project namely, the absence of RERA registration for Block F, lack of approval for the 7th floor, construction stalled at the second slab level, and complete non-delivery of possession this Authority finds that issuing a direction for handover of possession is neither feasible nor legally tenable. In the alternative, the Complainant has sought refund of the amount paid. In the considered opinion of this Authority, the Complainant is fully justified in seeking withdrawal from the project and is entitled to refund of the entire amount paid, along with applicable interest, in terms of Section 18(1) of the RE(R&D) Act.

27. Accordingly, this Authority holds that the Complainant is entitled to refund of the total amount of Rs. 46,40,000/- (Rupees Forty-Six Lakhs Forty Thousand Only) paid to the Respondent, along with interest at the rate of 10.70% per annum, being the State Bank of India's Marginal Cost of Lending Rate of 8.70% plus 2%, as prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, calculated from the respective dates of payment until the date of actual refund, in accordance with Section 18(1) of the RE (R&D) Act, 2016.

28. With regard to the Complainant's claim for compensation of Rs. 10,00,000/- for mental agony and for monthly rent of Rs. 40,000/- from 02.08.2024, this Authority observes that

claims for compensation and damages fall within the exclusive jurisdiction of the Adjudicating Officer appointed under Section 71 of the RE(R&D) Act, 2016. The Complainant is accordingly at liberty to approach the Adjudicating Officer for adjudication of such claims, if so advised.

Point II is answered accordingly.

E. Directions of the Authority

29. In light of the discussions and findings made hereinabove, this Authority, vide its powers under Sections 37 and 38 of the RE (R&D) Act, 2016, issues the following directions to the Respondent:

- i. The Respondent, M/s. Pranith Concepts Pvt. Ltd., represented by its Director, Sri P.N. Suresh, is directed to refund the total amount of Rs. 46,40,000/- (Rupees Forty-Six Lakhs Forty Thousand Only) to the Complainant, Sri Byreddy Prabhakara Reddy, along with interest at the rate of 10.70% per annum (SBI MCLR of 8.70% + 2%) calculated from the respective dates of payment until the date of actual refund, in accordance with Section 18(1) of the Real Estate (Regulation and Development) Act, 2016 read with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, within a period of 60 (sixty) days from the date of receipt of this Order.
- ii. Failing to comply with the above directions shall attract penal action against the Respondent in accordance with Section 63 of the RE (R&D) Act, 2016.

30. In view of the above, the present complaint is disposed of. No order as to costs.

**Sd/-
Sri K. Srinivasa Rao,
Hon'ble Member,
TG RERA**

**Sd/-
Sri Laxmi Narayana Jannu,
Hon'ble Member,
TG RERA**

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