

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

**COMPLAINT NO.395 OF 2023**

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**31<sup>st</sup> day of May, 2024**

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

Sri Chowki Ramesh  
Sri ChoutiBhoomaiah

...Complainant

Versus

M/sParijatha Homes and Developments Pvt Ltd. Rep by Sri T Anjaiah

...Respondent

The present matter filed by the Complainants herein came up for final hearing on 18.04.2024 before this Authority in the presence of Complainants present in person and Advocate V.S.Sudhakaran behalf of the Respondent and upon hearing the arguments of the parties, this Authority passes the following **COMMON ORDER:**

2. The present Complaints has been filed under Section 31 of the Real Estate (Regulation and 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 directions from this Authority to take action against the Respondent.

3. The case presented by the complainants in all complaints rests on similar grounds. Similarly, the stance taken by the Respondent in their counters is identical. Hence, for the sake of convenience and to avoid repetition, the pleadings from complaint no. 395 of 2023 are herein referenced:

**A. Brief Facts on behalf of the complainants:**

4. Complainant 1 asserts that the Chairman, Managing Director, and Director of Parijatha Homes and Developments Pvt. Ltd, Secundrabad, with their Corporate Office located at Road no.7, Banjara Hills, Hyderabad, offered the sale of flat no.306 (west facing) on the third floor in the project "Parijitha Pride II" vide registration no. P02200005136, in Block "C" with a built-up area of 1135 sq.ft, including common areas to be constructed on the land in sy.no 1060 situated at Shamirpet village for a sum of Rs. 20,43,000/-. Complainant 1 agreed to purchase the said flat for the said amount and on 10.10.2020 entered into an agreement of sale, paying a sum of Rs. 20,10,000/-. Payment details include Rs. 10,000/- in cash under receipt no. 4136, dated 12.02.2020, Rs. 3,50,000/- by way of cheque No.000001 of Andhara bank, dated 12.02.2020, receipt no. 4138, Rs. 1,50,000/- by way of cheque no. 1625654 dated 12.02.2020 of SBI, and Rs. 7,50,000/- by way of cheque no. 162657 dated 18.06.2020 SBI receipt no.578. The balance sale consideration of Rs. 33,000/- was agreed to be paid within 30 days from the date of the execution of the agreement of sale. Possession of the flat was to be given within 36 months (3 years) from the date of the execution of the agreement of sale.

5. Since April 2021, there has been no construction activity at the proposed site indicated by the company. Upon inquiry, the Respondent Company cited pending litigation on the said land as the cause for delay. Subsequently, Complainant 1 was urged to accept flat no.408, east facing (C+S+10), admeasuring 1550 sq. ft in Block A in another project named Parijitha ICON 2 situated at Uppalalpally village of Shamirpet Mandal for a total sale consideration of Rs.27,90,000/-. Complainant 1 agreed, and a separate agreement of sale was entered on 08.04.2021, wherein possession was to be delivered within 36 months from the date of execution of the agreement of sale. However, no construction activity has been observed at the new site either.

6. Via a letter dated 28.07.2022, the company transferred the amount of Rs. 20,10,000/- paid by Complainant 1 to another project named Parijatha Pride Phase II to plot no.203 and 204, admeasuring a total of 330 square yards in the Project Parijitha Green City situated at Gauthapur village of Balanagar, Mandal, Mahabubnagar District. The company also agreed to execute the registered deed within 2 months but failed to do so.

7. Furthermore, Complainant 2 states that the company offered to sell flat no.308 (east facing)(C+S+10) in the third floor project "Parijatha ICON-2," in block "A," admeasuring 1550 sq.ft proposed to be constructed in Sy.no. 707,708,709,710,712,737,738,740,741,745,749,750,761,783 totaling admeasuring Ac. 7-11 gts situated at Uppalalpally village of Shamirpet Mandal for a sum of Rs. 29,45,000/-. An agreement of sale was executed on 08.04.2021, and an amount of Rs. 5,10,000/- was paid. Rs. 10,000/- was paid in cash under receipt no.59, dated 29.01.2021, and Rs. 5,00,000/- was paid via e-receipt no.77 dated 15.02.2021 to the respondents. The complainant agreed to pay the balance sale consideration of Rs. 24,35,000/- as per the terms of the agreement. Possession of the flat was to be given within 36 months (3 years) from the date of the execution of the agreement of sale. However, no construction activity has been observed on the proposed site by the Respondent to the complainant.

**B. Relief(s) Sought:**

**8. The complainants sought for the following reliefs:**

- I. Register the complaint for misleading, cheating, and violating agreements of sale, and direct the respondent to comply with the agreement within a specified time period.
- II. In case of their failure to comply with the orders within the specified time period, cancel the RERA license of the respondents.
- III. Impose a fine of Rs. 10,000/- per day under section 62 of the RERA Act.
- IV. Take criminal action against the Director of the company.

**C. Hearing Conducted:**

9. When the complaints were taken up for hearing, both parties requested to consolidate all complaints and issue a common order. Accordingly, two complaints were disposed of by a common order. Both parties were heard during the proceedings. The complainants reiterated their contentions from the original complaints and requested this Authority to direct the Respondent to refund the amount with interest, as they do not wish to continue with the project due to the Respondent's failure to commence construction. The Respondent's counsel filed a Vakalatnama and sought time to file a reply.

10. On the subsequent date of hearing, the Respondent's counsel submitted a memo dated 09.11.2023, stating that the Respondent director is unable to provide proper inputs due to ill health and being out of station. Consequently, the Counsel requested an adjournment, which was granted by the Authority to 21.12.2023.

11. On 21.12.2023, the Respondent's counsel submitted a memo to the Authority, requesting 2 months' time to refund the entire amount or register plots/flats in any ongoing projects due to financial constraints. The Complainants accepted the memo, and the Authority granted a period of 2 months to repay the complete amount to both complaints.

12. However, on subsequent dates of hearing, the complainants reported that the Respondents did not contact them for repayment, nor did they answer any calls. The Respondent's counsel, along with the Chairman of the Respondent Company, submitted a letter dated 18.04.2024, explaining that their bank accounts had been frozen by the IT department due to an ongoing investigation. They sought a 60-day extension for repayment, assuring cooperation with authorities to resolve the matter.

**D. Point for consideration:**

- (a) Whether Respondent is in violation of section 3 of RE(R&D) Act?
- (b) Whether the complainants are entitled to the Refund with interest?

13. **Point(a):** This Authority has considered the complaints and the Respondent's stance. Despite being directed to file a detailed reply, the Respondent failed to do so and neglected the Authority's instructions. During the hearing, the Respondent failed to articulate any defence against the violation of the RE(R&D) Act. Verification of the Respondent's registration confirms that the project "Parijatha ICON II" is not registered under RERA by the promoter "Parijatha Homes and Developers Pvt. Ltd." Consequently, the Respondent has engaged in marketing/selling/advertising and entered into Agreement of sales with the complainants that is not RERA registered project, thus contravening Section 3 of the RE(R&D) Act.

14. **Point (b):** The complainants seek direction to the respondent for repayment as the project is neither completed nor RERA registered. During the hearing, the Respondent also agreed to refund the amount due to financial issues hindering construction. As per the agreements, possession was to be handed over within 36 months (with a grace period of 6 months) from obtaining Building permission from HMDA. However, it remains unclear if the Respondent has obtained HMDA permission to date, and this information has not been provided either by the Respondent or complainant. As per the decision of the Hon'ble Supreme Court of India in **appeal no. 6750-57/2021, M/s Newtech Promoters V. The State of Uttar Pradesh**, and as per section 18 of the RE(R&D) Act, the incase the Respondent fails to complete the project or is unable to give possession, and the complainant wishes to withdraw from the project, Respondent shall be liable to return the amount received with interest. Therefore, considering the Respondent unable to complete the construction till date and the Respondent's failure to comply with Authority's directives, the complainants are entitled to a refund with interest from the date of the Respondent's memo dated 21.12.2023. The prescribed rate of interest will be marginal cost of lending rate that is 8.20 + 2%, totalling 10.20% per month as per the State Bank of India's website as of 15.05.2024.

<b>S.no</b>	<b>Description</b>	<b>Amount Paid</b>	<b>Due date</b>
1.	Complainant no.1- Chowki Ramesh	Rs.5,10,000/-	21.12.2023
2.	Complainant no.2- Chouti Boomaiah	Rs. 20,10,000/-	21.12.2023

15. Having considered all these aspects, the complainants are entitled to a refund along with interest. Therefore, point (a) is affirmed.

**E. Directions of the Authority:**

16. In exercise of the powers conferred under section 31 of the Real Estate (Regulation and Development) Act, 2016, the complaints numbered 395 and 396 of 2023 are hereby allowed. In light of the findings of the Authority as recorded above, the following directions under section 37 of the RE(R&D) Act to ensure compliance with obligations imposed upon the promoter as per the functions entrusted to the Authority under section 34(f) of the RE(R&D) Act are issued:

1. For contravening section 3 of the Act, this Authority, exercising its powers under section 59 of the Act, imposes a penalty of Rs. 4,47,930/-. This penalty is imposed for marketing/selling villas of the Project without registering the project before this Authority. The amount is payable in favor of TSRERA FUND through a Demand Draft or online payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036, within 30 days of receipt of this Order by the Respondents/Promoter. Additionally, this Authority directs the Respondent/Promoter to register the said project before this Authority within 30 days of receipt of this Order to comply with the provisions of section 3 read with section 14(3) of the RE(R&D) Act of 2016.
2. The Respondent is directed to refund the entire amount paid by the complainants for the concerned units in the project "Parijitha ICON-II" as mentioned above, along with interest of 10.20% per annum from

the due date of memorandum dated 21.12.2023 filed with the authority assuring that the amount will be repaid.

3. The refund of the entire amount and interest accrued from the due date mentioned by the Authority, i.e., 21.12.2023, till the date of the order by the Authority, shall be paid by the promoter to the allottee within a period of 60 days from the date of this Order.

17. In light of the above findings and directions, the present complaints stand disposed of. The parties shall bear their own costs. The parties are hereby informed that failure to comply with this Order shall attract section 63 of the Act.

18. If aggrieved by this Order, the parties may approach the TS Real Estate Appellate Tribunal (vide G.O.Ms.No.8, Dt.11-01-2018, the Telangana State Value Added Tax Appellate Tribunal has been designated as TS Real Estate Appellate Tribunal to manage the affairs under the Act till the regular Tribunal is established) as per Section 44 of the Act, 2016.



**Sd/-**

**Sri. K. Srinivas Rao,**

**Hon'ble Member**

**TG RERA**

**Sd/-**

**Sri. Laxmi NaryanaJannu,**

**Hon'ble Member**

**TG RERA**

**Sd/-**

**Dr. N. Satyanarayana, IAS (Retd.),**

**Hon'ble Chairperson**

**TG RERA**