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

Dated: 31st October, 2025

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. 07/2025/TG RERA

Smt. Araveti Ratnakumari
Represented by Sri Yelisetty Krishnaiah
#402, Prithivi Stargaze Apartment, Balagare Road,
Varthur, Bangalore, Karnataka – 560087 **...Complainant**

Versus

Sri Guntupalli Srinivasrao, MD of M/s EVK projects Pvt Ltd.
Office Address: 490/A, Nirmalam,
2nd Floor, Road No. 10, Jubilee Hills,
Hyderabad, Telangana – 500033 **…Respondent**

Complaint No. 66/2025/TG RERA

Yelisetty Niranjan Prasad
Represented by Sri Yelisetty Krishnaiah
#402, Prithivi Stargaze Apartment, Balagare Road,
Varthur, Bangalore, Karnataka – 560087 **...Complainant**

Versus

Sri Guntupalli Srinivasrao MD of M/s EVK projects Pvt Ltd.
Office Address: 490/A, Nirmalam,
2nd Floor, Road No. 10, Jubilee Hills,
Hyderabad, Telangana – 500033 **…Respondent**

The present matter filed by the Complainants mentioned herein above came up for hearing before this Authority in the presence of the Complainant in person, and none appeared on behalf of the Respondents despite service of notice; hence set ex parte and upon hearing the submissions of the Complainants, this Authority proceeds to pass the following **ORDER:**

2. This Complaint has been filed under Section 31 of the Real Estate (Regulation and 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 action against the Respondents.

3. Given the similarity in the subject matter and the nature of reliefs sought in both cases, they have been consolidated for the sake of convenience and to avoid unnecessary repetition. Further, Although the Complainants have erroneously arrayed the Managing Director of M/s. EVK Projects Pvt. Ltd. as the Respondent in his individual capacity, this Authority, considering the beneficial nature of the legislation and to avoid being defeated by technicalities, deems it appropriate to treat the Respondent as representing the company, M/s. EVK Projects Pvt. Ltd. Accordingly, the matter has been heard and adjudicated as against the said company, and not in the individual capacity of its Managing Director.

A. Brief facts of the case:

4. The Complainants, having come across an online advertisement for open plots in the *"Aalaya Sreemeru"* Project promoted by GSR Group, approached the marketing advisor, Mr. Srikanth, for purchase of plots. The said advisor showed the Complainants the project site at Kongarakalan and its developments, stating that the project was in the pre-launch stage and plots were being offered at a lower rate. The then Marketing Director, Mr. Chandrasekhar, further assured the Complainant that land acquisition was in progress and that registration of plots would be completed by May 2022. He directed the Complainants to pay the full consideration amount for plots measuring 200 square yards each at the rate of ₹21,500 per square yard.

5. It is submitted that the Managing Director of GSR Group, Mr. Guntupalli Srinivas Rao, had also showed the Complainants, an *Agreement of Sale* of the proposed land, claiming that an amount of ₹5 crore had already been paid to the land owners towards land purchase. When the Complainants requested a copy of the said agreement, they were informed that it could not be shared due to business confidentiality. Relying on these assurances and the company's prior ventures, each Complainant agreed to purchase a plot measuring 200 square yards for a total consideration of ₹43,00,000/– under separate Agreements of Sale executed in their respective names.

6. As payments shown in the *Agreement of Sale*, the Respondents issued post-dated cheques in favour of the Complainants as a security measure. However, despite repeated follow-ups, the Respondents failed to complete the registration of the plots. The promised registration date of May 2022 was successively postponed to September 2022, then to November 2022, January 2023, and subsequently to May 2023.

7. Later, the Respondents again assured the Complainants that registration would be completed in December 2023, after the Telangana Elections, and issued fresh post-dated cheques from time to time as earlier ones lapsed. However, even till April 2024, the registration was not completed. During a customer meet held on 20.04.2024, Mr. Guntupalli Srinivas Rao promised that on 15.05.2024, a plot measuring 15 square yards in their *Kollur* Project would be registered in favour of the Complainants as security until the registration of plots in the *Aalaya Sreemeru* project. When the Complainants visited the Respondents' registered office on the said date, they met one lawyer, Ms.Durgabhavani, who claimed to be handling all the disputes of GSR Group. However, by the end of May 2024, the office was found closed and non-operational.

8. Subsequently, when the Complainants presented the last issued post-dated cheques in June 2024, the same were dishonoured with the endorsement *"Insufficient Funds."* Upon learning through media reports that Mr. Guntupalli Srinivas Rao had been arrested by the CCS authorities, the Complainants lodged a complaint with CCS Basheerbagh on 24.07.2024.

B. Relief sought:

9. In light of the aforementioned facts, the Complainants have prayed for the following relief before the Authority:

I. Recover the entire amount of ₹43,00,000/- paid by each complainant, along with interest at 24% from the dates of payment as shown in the *Agreement of Sale*, at the earliest.

C. Points to be determined:

10. Based on the above facts and circumstances, the following questions arise before this Authority for determination:

I. Whether the Respondent has violated any provisions of the RE(R&D) Act, 2016?

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

D. Observations of the Authority:

11. In the present matter, despite service of notice, the respondent failed to appear before the Authority either in person or through an authorized representative. No written statement, reply, or documentary evidence has been filed on behalf of the respondent. The matter has, therefore, been proceeded *ex parte*, and the case is being decided on the basis of the material available on record and the submissions of the complainant.

Point I

12. Upon careful consideration of the material available on record, it is observed that the Respondent has launched and marketed the project named *"Aalaya Srimeru"* at Kongarakalan Village, Ibrahimpatnam Mandal, Ranga Reddy District, Telangana, in pre-launch scheme without obtaining the mandatory registration as required under the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the Act"). Section 3(1) of the RE(R&D) Act, 2016 unequivocally 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, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act."*

13. Further, Section 3(2)(a) 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. The material available on record shows that, the project in the present case, namely *"Aalaya Srimeru"*, consists of open plots admeasuring 150 and 200 Square Yards, Duplex Villas Gated Community, 9 towers of G+14 Floors, and Commercial Complex, which is indisputably above the statutory threshold, and therefore squarely attracts the mandate of compulsory registration under Section 3 of the RE(R&D) Act, 2016. Hence, the act of the Respondent in advertising, marketing, and selling plots therein without such registration constitutes a direct contravention of Section 3.

14. Further, Section 4 of the RE(R&D) Act, 2016 requires every promoter to submit an application for registration of a real estate project in the prescribed form, supported by requisite documents. In the present case, there is nothing on record to indicate that the Respondent has ever

submitted any application for registration of the said project in compliance with Section 4. This failure constitutes a clear violation of Section 4 of the RE(R&D) Act.

15. In view of the above, this Authority holds that the Respondent has committed a breach of the mandatory statutory obligations contained under Sections 3 and 4 of the RE(R&D) Act, 2016, and shall be levied penalty under Sections 59 and 60 of the said Act accordingly.

Point I is answered accordingly.

Point II

16. Upon a careful consideration of the pleadings, documents placed on record, and the evidence adduced, this Authority proceeds with the following observations

17. In Complaint No. 07/2025, the Complainant, *Smt. Araveti Ratnakumari*, has placed on record an *Agreement of Sale dated 12.02.2022*, executed between the Complainant and *M/s EVK Projects Pvt. Ltd.*, represented by its Managing Director, *Sri Guntupalli Srinivas Rao*. The said Agreement clearly records that the Respondent offered to sell Plot No. 109, admeasuring 200 square yards, at the rate of ₹21,500/- per square yard, for a total sale consideration of ₹43,00,000/, in the project *"GSR – Aalaya Sreemeru"*, situated at Kongarakalan Village, Ibrahimpatnam Mandal, Ranga Reddy District, Telangana.

18. In Complaint No. 66/2025, the Complainant, *Yelisetty Niranjan Prasad*, has similarly placed on record an *Agreement of Sale dated 12.02.2022*, executed between the Complainant and *M/s EVK Projects Pvt. Ltd.*, represented by its Managing Director, *Sri Guntupalli Srinivas Rao*. The said Agreement pertains to Plot No. 110, admeasuring 200 square yards, at the rate of ₹21,500/- per square yard, for a total sale consideration of ₹43,00,000/-, in the same project *"GSR – Aalaya Sreemeru"*.

19. In both complaints, Clause 3 of the respective Agreements of Sale stipulates that each Complainant has paid the entire sale consideration of ₹43,00,000/- in full, in the following manner as shown in the payment details annexed to the Agreements. The Complainants have also placed on record *Memorandum of Understanding dated 12.03.2022*, executed separately with *M/s EVK Projects Pvt. Ltd.*, wherein the Respondent once again acknowledged the receipt of ₹43,00,000/-

from each Complainant towards the agreed sale consideration, in accordance with the terms of the respective Agreements of Sale.

20. The said MoU further records that in the event the Respondent fails to obtain the requisite project approvals within six months from the date of the Agreement of Sale, the Respondent agreed to pay to the Complainants interest at the prevailing SBI Fixed Deposit rate, commencing from the seventh month, and continuing until the said project receives approvals from the competent Government authorities.

21. Upon perusal of the material on record, this Authority notes that despite having received the entire sale consideration of Rs. 43,00,000/- from each Complainant, the Respondent has neither registered the subject plots in their favour nor refunded the said amounts. There is no material placed on record to show that the Respondent had obtained the requisite statutory approvals for the project within the stipulated period as mentioned in the Memorandum of Understanding dated 12.03.2022. The issuance of a guaranteed cheque by the Respondent further establishes his acknowledgment of the liability and commitment to either register the plots or refund the consideration received.

22. The conduct of the Respondent, in failing to secure such approvals and in consistently postponing the registration of the plots despite repeated assurances, clearly demonstrates a deliberate default and non-performance of the contractual obligations undertaken under both the Agreement of Sale and the Memorandum of Understanding.

23. In this context, reference must be made to Section 18(1) of the Real Estate (Regulation and Development) Act, 2016, which reads as under:

> *"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."

24. A plain reading of the above provision makes it abundantly clear that the promoter is under a statutory obligation to refund the amount received from an allottee, together with interest, in the event of failure to complete the project or deliver possession in accordance with the terms of the agreement. In the present case, the Respondent has consistently failed to register the plot despite having received the entire sale consideration and has not demonstrated any bona fide steps toward the fulfillment of its contractual obligations. Therefore, the Complainant's prayer for refund of the amount paid, along with interest, squarely falls within the ambit of Section 18(1) of the Act.

25. With respect to the rate of interest, while the Complainants have prayed for interest at 24% per annum, this Authority is bound by the statutory framework. Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017 prescribes that the rate of interest payable by the promoter to the allottee shall be the *State Bank of India's highest Marginal Cost of Lending Rate (MCLR) plus two percent*. At present, the SBI MCLR stands at 8.75%, and therefore the applicable rate will be 10.75% per annum. Accordingly, each Complainant is entitled to interest at the rate of 10.75% per annum from the respective dates of payment as shown in their respective Agreements of Sale dated 12.02.2022 until the date of actual refund.

26. Accordingly, this Authority holds that the Complainants are entitled to refund of the amount of ₹43,00,000/- each along with interest at 10.75% per annum, in accordance with Section 18 of the Act read with Rule 15 of the Rules, until realisation.

Point II is answered accordingly.

E. Directions of the Authority:

27. Vide the powers vested under Section 37 of the RE(R&D) Act, 2016, this Authority issues the following directions:

i. The Respondent herein, is hereby directed to pay a penalty of ₹27,45,600/- (Rupees Twenty-Seven Lakh Forty-Five Thousand Six Hundred Only) under Sections 59 and 60 of the Real Estate (Regulation and Development) Act, 2016, for violation of Sections 3 and 4 of the Act. The said penalty shall be paid within thirty (30) days from the date of receipt of this order, in favour of the TG RERA Fund, through a Demand Draft or online transfer to Account No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036.

ii. The Respondent is further directed to refund to the respective Complainants the amounts received towards the purchase of plots, together with interest at the rate of 10.75% per annum (being SBI MCLR of 8.75% + 2%) in accordance with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, calculated from the respective date of payments as shown in the Agreement of Sale dated 12.02.2022 until the date of actual refund, as follows:

a) To the Complainant in Complaint No. 07/2025/TG RERA, refund ₹43,00,000/- (Rupees Forty-Three Lakh Only) along interest at 10.75% per annum from the respective dates of payment as shown in the Agreement of Sale dated 12.02.2022 till the date of actual refund;

b) To the Complainant in Complaint No. 66/2025/TG RERA, refund ₹43,00,000/- (Rupees Forty-Three Lakh Only) along interest at 10.75% per annum from the respective dates of payment as shown in the Agreement of Sale dated 12.02.2022 till the date of actual refund.

iii. The said refund together with interest shall be made within thirty (30) days from the date of receipt of this order.

28. 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.

29. 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**