

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

***Complaint No. 241 of 2024***

**Dated: 28<sup>th</sup> March 2025**

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

**Sudhamadhuri Buhyavarapu**

(Represented by Husband Satyanarayana Gudimetla, R/o – G-15 b block, the lift apartment, Vasanth nagar, Hafeezpet- 500084) ***...Complainant***

**M/s Jayathri Infrastructure India Pvt Ltd**

*(rep KakarlaSrinivas-plot no. 140,141, Eminent plaza, KPHB Colony, KukatpallyHyderabad)*

***...Respondent***

The present matter filed by the Complainant herein came up for hearing on 11.12.2024 before this Authority wherein the Complainant appeared in person. Despite service of notice, the Respondent failed to appear, and as such, was set ex parte vide order dated 11.12.2024, and after hearing the Complainant, this Authority passes 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 Respondent.

**A. The Brief facts of the case as per allegations/averments contained in the complaint are as follows:**

3. The Complainant states that he paid an amount of Rs. 33,60,000/- (Rupees Thirty-Three Lakhs Sixty Thousand only) as a booking amount towards the purchase of a commercial unit in the project titled "Western Galaxy", comprising a total area of 600 square feet, identified as Office No. 1/C, located on the 4th floor, having a total built-up area of 1,00,000 square feet, along with an undivided share of land admeasuring 9.6 square yards

(out of Ac. 4 Acres) situated in Survey No. 36/20, Gopanpally village, Serilingampally Mandal, GHMC, Serilingampally Circle, Ranga Reddy District.

4. As per the Memorandum of Understanding (MOU) dated 06.11.2021, the Respondent undertook to register a plot in the project “Urban Farms” as collateral security in favor of the Complainant until the possession of the allotted commercial space was handed over. It was further stipulated that upon handing over possession of the commercial unit, the Complainant would return the collateral security plot to the Respondent.

5. The MOU further assured the Complainant that the fully constructed unit would be delivered on or before December 2024. Additionally, the Respondent committed that in the event of failure to deliver possession within the stipulated timeline, he would be liable to pay Rs. 75 per square foot per month to the Complainant until the date of possession.

6. However, the Respondent failed to adhere to the agreed terms and did not deliver possession of the scheduled unit within the stipulated period, thereby breaching his contractual obligations and causing financial loss and distress to the Complainant.

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

7. Aggrieved by the acts of the Respondent, the Complainants pray for the following:

- I. Refund of amount Rs. 33,60,000/- (Thirty Three Lakhs Sixty Thousands)
- II. Issue order to pay the interest on the invested principal amount as per the rules

#### **C. Observations of the Authority:**

##### **Points for Consideration:**

1. Whether the Respondent has violated section 3 of the Real Estate (Regulation and Development) Act, 2016?
2. Whether the Complainant is entitled to the relief sought?

##### **Point 1**

9. This Authority notes that over 20 similar complaints have been filed against the same Respondent concerning the same project. In prior proceedings, the Respondent’s counsel submitted that due to non-compliance with the Agreement of Sale entered into with Sri M.

Laxmi Kanthai and Sri V. Gowrith on 25.03.2021, a portion of the project land is under litigation before the Hon'ble Supreme Court, thereby preventing the commencement of the project. Consequently, the said project has not been registered under RERA. In Complaint No. 1037 of 2023 & batch matters, this Authority directed an inspection of the concerned project site through the Engineering Staff College of India (ESCI) vide Letter No. 1458/2023/TSRERA dated 10.10.2023. As per the ESCI report (ESCI/PD/TSRERA/07/2023-24) dated 01.12.2023, the project site remains vacant with no progress. There is no evidence to establish the Respondent's ownership or legal authority to undertake the project.

9. Further, this Authority has previously imposed a penalty of Rs. 36,70,000/- for contravening section 3 of the RE(R&D) Act, 2016 on the Respondent in Complaint No. 1037 of 2023 & batch matters, dated 12.08.2024.. Since the penalty has already been imposed in the aforementioned order, this Authority does not find it necessary to impose an additional penalty under Section 3 of the RE(R&D) Act. Thus, Point 1 is answered accordingly.

**Point 2:**

10. The Complainants seek a refund of the amounts paid. The Respondent has failed to fulfil its contractual obligations. Section 18(1) of the Act provides that if a promoter fails to complete or is unable to give possession of an apartment or commercial space as per the terms of the agreement, the allottee has an unqualified right to seek a refund of the paid amount along with interest.

11. The provision for refund with interest applies when the promoter fails to complete the project and the allottee wishes to withdraw. The allottee is entitled to interest to safeguard their interests if the promoter fails to perform their obligations and is unable to hand over possession.

12. Attention is drawn to the decision of the Hon'ble Supreme Court of India in *Civil Appeal Nos. 3581-359 of 2022, Civil Appeal Diary No. 9796/2019, M/s Imperia Structures Limited vs. Anil Patni & Others*, wherein it was held:

*"In terms of Section 18 of the RERA Act, if a promoter fails to complete or is unable to give possession of an apartment by the date specified in the agreement, the promoter would be liable, on demand, to return the amount received in respect of that apartment if the allottee wishes to*

*withdraw from the project. Such a right of the allottee is 'without prejudice to any other remedy available to him'. This right is unqualified, and if availed, the deposited money must be refunded with interest as prescribed. The proviso to Section 18(1) contemplates that if the allottee does not intend to withdraw from the project, they are entitled to interest for every month of delay until possession is handed over. The allottee may proceed under Section 18(1) or the proviso thereto."*

13. Similarly, in **Civil Appeal Nos. 6745-6749 of 2021, M/s Newtech Promoters and Developers Private Limited vs. State of UP & Others**, the Hon'ble Supreme Court observed:

*"Section 18(1) of the Act spells out the consequences if the promoter fails to complete or is unable to give possession of an 9 of 10 apartment, plot, or building in terms of the agreement for sale. The allottee/home buyer holds an unqualified right to seek a refund of the amount with interest as prescribed."*

14. Based on the records available, the averments made by the Complainant, and the history of the Respondent's violations, it is evident that the Respondent has kept several complainants on hold for years by making false assurances regarding the registration of commercial spaces in their names. It is pertinent to note that M/s Jayathri Infrastructures has consistently violated the Act by misleading the public in multiple projects, thereby demonstrating mala fide intent.

15. Therefore, considering the aforementioned case laws and the provision of Section 18 of the RE(R&D) Act, this Authority is of the opinion that the Complainant, having invested a substantial sum in anticipation of acquiring the allotted commercial space, has been wrongfully deprived of their rights due to the Respondent's absolute failure to execute the project. Consequently, the Complainant is entitled to the relief sought, which includes a full refund of the amount paid along with applicable interest.

16. The Respondent is directed to refund the entire amount paid by the Complainant, along with interest, i.e. Current Highest marginal cost of State Bank of India (9%) plus 2% that is 11% per annum, calculated from the date of the Memorandum of Understanding (MOU) entered into with the Complainant until the date of actual realization. This repayment shall be completed within 90 days from the date of this order.

17. The Complainant shall return any collateral land, if applicable, to the Respondent immediately upon receipt of the refunded amount, inclusive of interest.

**D. Directions of the Authority:**

18. In light of the findings of the Authority as recorded above, the following directions are issued under Section 37 of the RE(R&D) Act to ensure compliance with the obligations imposed upon the promoter as per the functions entrusted to the Authority under Section 34(f) of the RE(R&D) Act:

- a. The Respondent is directed to refund the entire amount paid by the complainant for the commercial spaces/units in the project "Western Galaxy" as mentioned above, along with interest of 11% per annum from the date of the Memorandum of Understanding (MOU) entered into with complainant, until the date of actual realization.
- b. The refund of the entire amount shall be paid by the Respondent to the complainant within a period of 90 days from the date of this Order.
- c. The complainant shall return the collateral lands to the Respondent immediately upon receipt of the refunded amount, inclusive of interest.

19. In light of the above findings and directions, the present complaint stands 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 RE(R&D) Act.

**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**