

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

**COMPLAINT NO.756 OF 2023**

**31<sup>st</sup> July, 2024**

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

Smt Goku Vasanthi

...Complainant

Versus

M/s Jayathri Infrastructure Pvt Ltd  
M/s Sandhya Constructions & Estates Private Ltd  
M/s Vipnam Avenues LLP  
M/s Anuktha West Wave Developers Private Ltd.  
M/s PVR Developers

...Respondents

The present matter filed by the Complainant herein came up for final hearing on 23.04.2024 before this Authority in the presence of Complainant authorised representative Goku Prabhakar, Counsel Ramabika for Respondent 1 and Counsel Venkatla Laxmi for Respondent 5 and upon hearing the arguments of the parties, this Authority passes the following

**ORDER:**

2. The present Complaint 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.

**A. Detail of the Project:**

| S.no | Title        | Detail                 |
|------|--------------|------------------------|
| 1.   | Project Name | Western Weaves         |
| 2.   | Promoter     | As per the complaint – |

|    |                        |  |
|----|------------------------|--|
|    |                        | M/s Jayathri Infrastructures Private Limited.  |
| 3. | RERA Registered        | Not registered   |
| 4. | Address of the Project | Sy.no. 104, admeasuring Ac.2, situated at Nanakramguda, Serrilingampally (M), Ranga Reddy (D), Telangana – 500032. |

**B. Brief Facts on Behalf of the Complainant:**

3. The Complainant has lodged a complaint filing Form M, citing an executed Memorandum of Understanding (MOU) dated 12.02.2021, wherein he has remitted a sum of Rs. 38,00,000/- for a commercial space in the Western Weaves project by M/s Jayathri Infrastructures Pvt Ltd (Respondent 1). The Complainant alleges that Respondent 1 has not only failed to commence construction but has also neglected to acquire the designated land. Consequently, the Complainant seeks relief in the form of a refund with interest.
4. Furthermore, the Complainant alleges that Respondent 1 has not responded to any calls or messages for years. In fact, a new promoter has entered the project, and construction is being initiated under a different name.

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

5. Refund of the amount of paid to the Respondent 1 for the commercial space and interest i.e is Rs.80,00,000/- .

#### **D. Respondent 5 Reply:**

6. Mr. Parimi Venkata Ramana, S/o. Venkata Subba Rao, Aged: 44 Years, Managing Director of M/s. PVR Developers India Private Limited, having its registered office at plot # 122, Prashanthi hills, Khajaguda, Raidurgam, Hyderabad-500008, do hereby solemnly affirm and state on oath as under:

7. The Respondent No. 5 respectfully submit that the allegations, statements and submissions made by the Petitioner in the implead petition are hereby vehemently denied as the same are untrue and based on falsehoods. The allegations which are not dealt specifically with and/or not denied by the Respondent herein should not be treated as admission or deemed admission on their part and the Respondent reserves the right and crave leave to file any supplementary submission on any specific issue that may be raised before this Hon'ble Authority during the course of proceedings.

8. The answering Respondent herein denies all the adverse allegations made by the Petitioner and the Petitioner is put to strict proof of the same. Before adverting to the para wise reply of the Petition, the Respondent craves leave for submitting the following true and real facts to bring the entire case in correct perspective.

9. The Respondent No. 5 i.e., M/s. PVR Developers India Private Limited is a registered company engaged into the business of Real Estate and possesses a good reputation in the real estate industry. The Respondent No. 5 have executed premium residential and commercial real estate projects in and around Hyderabad.

10. Mr. Parimi Venkata Ramana and Mrs. Aruna Devi Rama Kumari Parimi are the Directors of Respondent No. 5 and they are also directors of other companies.

11. It is submitted that Mr. Parimi Venkata Ramana and Mrs. Aruna Devi Rama Kumari Parimi are also directors of M/s. Anuktha West Wave Developers Private Limited i.e., Respondent No. 4 herein along with Mr. Jaya Chandra Gummadi, Mr. Venu Gopal Vabbilisetty and Mr. Siva Prasad Kyasa.

12. It is submitted that, the said M/s. Ankutha West Wave Developers Private Limited have obtained absolute and unconditional development rights on from multiple land owners vide registered Development Agreement bearing document No. 16122/2021, dated: 13.08.2021, registered before SRO

13. It is submitted that all the development activities on are being carried out in the name of M/s. Anuktha West Wave Developers Private Limited i.e., Respondent No. 3 and the officials of the Respondent No. 5 i.e. M/s. PVR Developers India Private Limited are not concerned with the development of the project in any manner whatsoever.

14. It is also submitted that, no hoarding of the Respondent No. 5 is affixed on the project and no employee or officials of Respondent No. 5 has knowledge about the project and are not involved with the development of the project. The Respondent No. 5 is also not advertising the Project in any manner whatsoever.

15. On 27/03/2024, the Respondent No. 5 has received the notice of this Petition and Complaint through Registered Post and through the notice, the Respondent No. 5 learned that a complaint has been instituted against Respondent No. 1 herein and the Complainant has filed implead petition against the Respondent No. 2-5 herein proposing them to implead as Respondent No. 2-5.

16. In reply to Para No. 2.4, it is stated that it is true that Mr. Parimi Venkata Ramana and Aruna Devi Rama Kumari Parimi are also directors of M/s. Anuktha West Wave Developers Private Limited i.e., Respondent No. 4 herein. However, it is untrue and absolute falsehood to state that construction activity is being initiated in the name of The Respondent No. 5 i.e., M/s. PVR Developers India Private Limited. The Complainant is put to strict proof of the same.

17. In reply to Para No. 2.5 it is stated that, the complainant herself is admitting that it is not clear to her as to how Respondent No. 1 i.e., Jayathr Infrastructures India Private Limited has the hierarchy of possessing th rights

or any authority to sell/marketing or register any commercial space in the concerned project. It is further submitted that, due to the reasons stated supra, the Respondent No. 5 is not at all concerned with the Subject Property nor the Subject Project in any manner or in any capacity whatsoever, it is unjust and unreasonable to implead Respondent No. 5 in the present complaint as the Respondent No. 5 cannot contribute in any manner to get clarity on the role of Respondent No. 1 in the subject property.

18. In further reply to Para No. 2.5, it is stated that the Respondent No. 5 is not acquainted with Respondent No. 1 and the Complainant. The Respondent No. 5 has also not entered into any written or oral arrangement with the Respondent No. 1. Hence, the Respondent No. 5 would not be a necessary party to this complaint.

19. In reply to Para No. 3 if the Petition is allowed and if the Respondent No. 5 is impleaded in the complaint, it will not only result in wastage of precious time of this Honorable Authority, but also legal injury to the Respondent No. 5 which cannot be compensated in any manner and it is safe to state that just for the purpose of harassing the Respondent No. 5 as Mr. Parimi Venkata Ramana and Mrs. Aruna Devi Rama Kumari Parimi are its directors, the Petitioner company has approached this honorable court with this present petition.

20. It is further submitted that, in Para No. 2.5 of this present I.A., the Complainant is stating that without any knowledge about the title of the Respondent No. 1 over the subject project, Complainant has proceeded with paying huge amount of Rs. 38,00,000/- (Rupees Thirty Eight Lakhs Only) to the Respondent No. 1. Hence this statement of the Complainant is beyond reason to believe as in Para No. 2.2, the Complainant herself stated that M/s. Vipnam Avenues LLP, has executed a Registered Sale Deed vide Document No. 6021/2021, Dt: 18.03.2021 in favor of Smt. Goka Nagamani (Daughter-in-Law of the Complainant). Hence, when the daughter-in-law of the complainant herself is one of the land owner, the Complainant would have all the knowledge about the title of the subject property and subject project. It is

safe to state that the complainant has created a concocted story for the purpose of impleading Respondent No.5 in this present complaint.

21. Moreover, the Complainant is the right person to bring all the facts on record as the complainant has paid a huge amount of Rs. 38,00,000/- (Rupees Thirty Eight Lakhs Only) to the Respondent No. 1 towards commercial space in the project as her daughter-in-law is one of the land owner.

22. Therefore this hon'ble court may be pleased to dismiss the Petition in limina with exemplary cost and pass such other order or orders as the Hon'ble court deems fit and proper.

#### **E. Hearing Conducted:**

7. Counsel for Respondent 1 appeared following the issuance of notice but failed to file a counter or represent their case. Respondents 2 and 4, despite notice, neither appeared nor filed counters before the Authority. Notices issued to Respondent 3 were returned, indicating that no such person was available at the given address. Consequently, Respondents 1, 2, 3, and 4 were set ex-parte on 23.04.2024.

8. During the hearing, the complainant submitted that she purchased a commercial space from Respondent 1 in 2021. The complainant and Respondent 1 entered into a Memorandum of Understanding (MoU) dated 12.02.2021 for the purchase of commercial space as a pre-launch offer for a total sale consideration of Rs. 38,00,000/-, which was paid by the complainant. According to the MoU, Respondent 1 was supposed to hand over the project by December 2024 and Register the commercial space by December 2021, failing which Respondent 1 was to compensate the complainant. Upon approaching Respondent 1 for the same, Respondent 1 stated that due to legal issues, they were unable to register the commercial space in the complainant's name. Consequently, due to the non-execution of the MoU dated 12.02.2021, the complainant is no longer interested in continuing with the project and wishes to withdraw, requesting the Authority to direct the respondent to refund the amount along with interest.

9. Despite repeated directions, Respondent 1 failed to file a reply.

10. To gain better clarity over the concerned project and to ascertain the role of Respondent 1, under Section 35 of the RE(R&D) Act, 2016, the Authority directed the Engineering Staff College India (ESCI) via letter no. 1458/2023/TSRERA dated 10.10.2023 to conduct an inspection and submit a comprehensive evaluation report of the “Western Weaves” project pertaining to Respondent 1.

**11.** On 18.12.2023, ESCI submitted the report stating that the project is a multi-storeyed building under construction on 5.0 acres of land bearing survey no. 104/part, currently at the foundation stage, being constructed by M/s PVR Developers (Respondent 5). The report noted that the foundation work is in progress by Respondent 5, and the site is under their custody. Upon inquiry into the locus standi and authority of M/s PVR Developers, the following facts were revealed:

i. The original landowners are M/s Sandhya Constructions & Estates Private Limited (Respondent 2), who executed an Agreement of Sale cum General Power of Attorney (GPA) in favor of M/s Vipnim Avenues LLP (Respondent 3) via document no. 4189/2000.

ii. Respondent 3, in their capacity as a designated partner, concluded a registered sale deed via document no. 6012/2021 dated 18.03.2021 in favor of Smt. Goku Nagmani.

iii. Similarly, Respondent 3, as a designated partner, concluded 700 registered sale deeds in favor of prospective buyers.

iv. Subsequently, the above landowners concluded a Development Agreement cum Irrevocable General Power of Attorney with M/s Anuktha West Wave Developers Pvt. Ltd via document no. 16122/2021 dated 13.08.2021 for the construction of commercial/residential apartments.



v. The development agreement indicates that the developer sought a time frame of 2.5 years with a 6-month grace period from the date of the GHMC building permit order to complete the project construction.

vi. Directors of M/s PVR Developers, Sri Parimi Venkata Ramana and Smt. Aruna Dev Kumari Parimi, joined as directors on 20.09.2021 in M/s Anuktha West Wave and, by virtue of their positions, initiated construction activity on the subject property in the name of M/s PVR Developers.

vii. The existing building permit order is in the name of M/s Sandhya Hotels Ltd, B. Sreedhar Rao, via permit no. 1/C20/14094/2019 dated 25.09.2018 for 4 cellars + 3 stilt + 11 upper floors, valid until 25.09.2025. The legal manager of M/s PVR Developers informed that an application for two additional upper floors has been filed and is under process.

viii. The agreed period of construction mentioned in the DGPA clause nos. 4 and 7, concluded between the buyers and M/s Anuktha West Wave, is 30 months from the date of obtaining the building permit order, which was completed by September 2022.

ix. Thus, it can be concluded that M/s Jayathri Infrastructures (Respondent 1) has no title rights or authority as a builder/developer on the subject property. M/s Jayathri Infrastructures may have acted solely as middlemen and marketing agents.

12. Since Respondent 1 failed to provide any substantive evidence regarding its role in the concerned project, and the ESCI report clearly indicated that, per the documents presented by Respondents 2-5, Respondent 1 has no hierarchy over the said project, the complainant filed an implead application dated 06.03.2024 to implead M/s Sandhya Constructions, M/s Vipnim Avenues LLP, M/s Anuktha West Wave Developers Pvt. Ltd, and M/s PVR Developers as Respondents 2-5 in the present matter. I.A. No. 05 of 2024, dated 06.03.2024, was accepted by the Authority.



13. Subsequently, notices were issued; no representations were made by Respondents 2-4. Respondent 5 submitted a reply, stating they are in no way concerned with M/s Jayathri Infrastructures and have not entered into any MoU or Agreement empowering M/s Jayathri Infrastructures, Respondent 1 herein, to enter into MoUs with the complainant. Denying the allegations, they submitted that they are not involved with the development of the concerned project in any manner whatsoever. M/s Anuktha West Wave Developers have obtained all the development rights. The misunderstanding regarding M/s PVR Developers' involvement in the project arose because two of the directors, Mr. Parimi Venkata Ramana and Mrs. Aruna Devi Rama Kumari, are directors of other companies, including M/s Anuktha Developers. Therefore, Respondent 5 has no connection with the concerned project or Respondent 1.

14. As Respondents 2, 3, and 4 made no representations at the final hearing, the Authority set them ex-parte.

**15.** Respondent 1 submitted to the Authority that due to the failure of certain performances by a third party for the project, they are unable to continue. However, no substantive evidence or written submissions were provided by Respondent 1's counsel. When questioned about the project, Respondent 1's counsel was unclear about the project's status in every scheduled hearing. Additionally, they submitted that they are willing to refund the amount as they currently have no legal rights over the said project, which is non-existent, and hence, will not be able to register the commercial space in the complainant's name.

**F. Points for Consideration:**

16. After perusal of the pleadings and submissions of the parties:

- a. Whether Respondents 1 to 5 are in violation of the RE(R&D) Act?
- b. Whether the complainant is entitled to the relief as prayed for? If yes, to what extent?

17. **Point a:** The Authority has carefully reviewed the material on record and considered the contentions of the parties, along with the detailed and comprehensive report submitted by ESCI. It is evident that Respondent 1 entered into an MoU with the complainant on 12.02.2021. A plain reading of the MoU indicates that Respondent 1 appeared to have title over the property and acted as the promoter of the project “Western Weaves.” Clause 1 of the MoU states that Respondent 1 agreed to sell and transfer the commercial space to the complainant, for which Respondent 1 received Rs. 38,00,000/- from the complainant. The MoU further assured the complainant that all construction permissions would be obtained by Respondent 1. Selling the commercial space without obtaining legal title, sanctioned plans from a competent authority, and without RERA registration constitutes a gross violation by Respondent 1. Despite having no legal hierarchy towards the scheduled land of the project, Respondent 1 marketed the project and sold the commercial space as a pre-launch offer, violating Section 3 of the RE(R&D) Act.

18. As per the ESCI report, the Authority observes that there is currently no project named “Western Weaves” on the scheduled property but a project name Waves by M/s Ankuta West Waves which has been on halt due to ongoing litigation. Respondents 2-5 have no projects registered under RERA on the concerned project land in survey no. 105 at Nanakramguda. In the MoU dated 12.02.2021, Respondent 1 assumed sole responsibility for collecting the amount and handing over possession to the complainant. The complainant also submitted that he had only contacted Respondent 1 and was unaware of the legal title until revealed by the ESCI report. Hence, the Authority believes that Respondents 2-5 cannot be held liable for the default made by Respondent 1. They shall only be held liable if a connection was established in the MoU or inspection report, which was not the case. Additionally, Respondent 1 failed to disclose any such information and accepted their default, expressing willingness to repay the amount.

20. Therefore, the Authority concludes that only Respondent 1 is liable for the violations under this Act. Respondents 2-5 are not concerned with the MoU entered between the complainant and Respondent 1 and thus cannot be held liable for the violations under this Act.

21. **Point b:** The complainant has sought a refund of Rs. 80,00,000/- from Respondent 1. The Authority observes that the complainant has paid Rs. 38,00,000/- for the concerned commercial space. According to the Memorandum of Understanding (MoU) between the complainant and Respondent 1, the complainant paid a total sale consideration of Rs. 38,00,000/-. Respondent 1 assured that the project would be handed over by December 2023 but failed to do so due to the non-continuation of the project. During the hearing, Respondent 1 admitted that the default occurred due to legal issues and agreed to refund the entire amount. Both parties requested and agreed to the refund, resolving this point.

22. However, the complainant has requested Rs. 80,00,000/-, suggesting that this amount includes interest or compensation as calculated by the complainant. While the complainant is entitled to a refund of the amount paid, as Respondent 1 neither denied nor disputed this relief, the Authority notes that the complainant has not provided evidence to justify the specific amount of Rs. 80,00,000/-. The Authority must act in accordance with the RE(R&D) Act, not based on personal calculations of the complainant. The sub-points to be considered are as follows:

i. Whether the complainant is entitled to interest under Section 18 of the RE(R&D) Act?

23. 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."***

24. The RERA Act thus provides a remedy to an allottee who wishes to withdraw from the project or if the promoter is unable to handover the possession of allotted unit/plot as the case maybe. Therefore, as per Section 18(1) of the RE(R&D) Act, the promoter is liable to return the amount received along with interest and compensation if the promoter fails to complete or deliver possession of the apartment as per the sale agreement.

25. Further, in the decision of the Hon'ble Supreme Court in Civil Appeal Nos. 6745-6749 of 2021, M/s Newtech Promoters and Developers Private Limited vs. State of UP & Others, it was held:

***"Section 18(1) of the Act spells out the consequences if the promoter fails to complete or is unable to give possession of an 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."***

26. The provision for interest for delayed possession or similar reasons applies when the promoter fails to complete the project and the allottee wishes to withdraw from the project. 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. In this case, Respondent 1 kept the complainant on hold for 2.5 years, making false promises about registering the concerned commercial space in the complainant's name. After the

complaint was filed before this Authority, Respondent 1 revealed that they failed to acquire the project, thus preventing registration from taking place. The Authority believes that the complainant, having paid a significant amount of money in the hope of acquiring a commercial space, has been wronged due to the complete failure of Respondent 1 to execute the project despite collecting the full amount. It is unjust for the complainant not to receive interest on the amount paid. Furthermore, Respondent 1 has only provided vague replies during hearings and failed to submit a written reply despite explicit directions. Additionally, Respondent 1 has consistently violated the RE(R&D) Act by deceiving the public in various other projects, demonstrating malafide intentions.

27. Therefore, in the interest of the allottee, the Authority believes that the complainant is entitled to interest. Under Sections 37 and 38 of the RE(R&D) Act, the Authority is of the opinion that Respondent 1 should pay interest as per Rule 15 of the TG RE(R&D) Rules, which stipulates the Marginal Cost of Lending Rate (MCLR) plus 2% interest. The current MCLR of the State Bank is 8.65% plus 2%.

28. Respondent 1 is directed to pay the entire amount of Rs. 38, 00,000/- along with interest of 10.65% per annum from the due date of registration i.e 01.01.2022 until the date of actual realization, within 90 days from the date of this order.

**Directions of the Authority:**

26. In exercise of the powers conferred under Section 31 of the Real Estate (Regulation and Development) Act, 2016, the complaint numbered 756 of 2023 is hereby allowed. 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:

- I. The Respondent is directed to refund the entire amount paid by the complainant for the concerned commercial space in the project

"Western Weaves" as mentioned above, along with interest of 10.65% per annum from the due date of January 1, 2022.

- II. The refund of the entire amount and interest accrued from the due date mentioned by the Authority, i.e., January 1, 2022, until the date of the order by the Authority, shall be paid by the Respondent to the allottee within a period of 90 days from the date of this Order.
- III. For contravening Section 3 of the Act, this Authority, exercising its powers under Section 59 of the Act, imposes a penalty of Rs. 5,00,000/. 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 TGRERA 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.

27. 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 Act.

28. If aggrieved by this Order, the parties may approach the TS Real Estate Appellate Tribunal 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**