

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**5<sup>th</sup> Day of August 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.113 OF 2024**

**Sunchu Santhosh Babu**

*(R/o. 10-5-342/146/18, Plot No.18, Konda Reddy Nagar  
North Lallaguda, Thukaram Gate  
Secunderabad – 500017)*

**...Complainant**

**Versus**

**Kapstone Properties India Pvt Ltd,**

*(Chairman and Managing Director Kakarla  
Srinivas – (JAYA GROUP),  
H.No.16-2-23/2, 6th Floor, PNR High Nest,  
Nizampet, Hyderabad, Telangana 500090)*

**Bolla Srinivas Rao**

*(H. No: 1-103, Surya Chandra Rao Peta,  
Pandidigudem, Dwaraka Tirumala, West Godavari  
dist., Andhra Pradesh – 534425)*

**BNR Townships Pvt Ltd,**

*(Managing Director Basireddy Narendha Reddy,  
H. No 1-36, Kamsanpally village, Uditiyal, Farooq  
Nagar mandal, Ranga Reddy dist., Telangana 509202).*

**...Respondents**

**COMPLAINT NO.247 OF 2024**

**Sunkara Kiran Kumar**

*(FLAT NO: 201, Manikonda Homes  
Anjali Gardens, Manikonda  
Puppalaguda, Ranga Reddy dist.  
Telangana- 500089)*

**...Complainant**

**Versus**

**Kapstone Properties India Pvt Ltd,**

*(Chairman and Managing Director Kakarla  
Srinivas – (JAYA GROUP),  
H.No.16-2-23/2, 6th Floor, PNR High Nest,  
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**BNR Townships Pvt Ltd,**  
(Managing Director Basireddy Narendha Reddy,  
H. No 1-36, Kamsanpally village, Uditiyal, Farooq  
Nagar mandal, Ranga Reddy dist., Telangana 509202).

**...Respondents**

The present matters filed by the Complainants herein above came up for final hearing on 25.02.2025 before this Authority in the presence of Counsel for Complainants, CC. No. 113/2024, 247/2024, Sri Drupad Sangwan and C Karthikeya Reddy, and none for Respondents No.1 and 2 despite service of notice which was set ex-parte vide Order dated 07.02.2025, and for Respondent No.3 through counsel, Sri D. Rajasekhar, Vinod Kumar Lahoti and M. Buchi Babu, upon hearing the arguments, this Authority passes the following COMMON ORDER:

2. The present Complaints have 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 directions to the Respondents.

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

3. The Complainants state that Respondent No.1 entered into a Memorandum of Understanding (MoU) with them for the sale and registration of residential plots situated in a project titled “little woods”, allegedly being developed by M/s Kapestone Properties India Pvt. Ltd. The subject plots are located at Kamsampalle Village, Farooqnagar Mandal, Ranga Reddy District, Telangana.

4. It is submitted that, pursuant to the said MoU, the Complainants paid certain amounts to Respondent No.1 towards the proposed purchase of the said plots. However, despite receipt of the said consideration, the Respondents failed to register the plots in favour of the Complainants. The Complainants further allege that the project, though marketed as “*Little Woods*” by Respondent No.1, is in fact registered with Telangana RERA under the name and style “*Whistling Meadows*”, bearing RERA Registration No. P02400002304, by Respondent No.3.

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

5. Aggrieved by the actions of the Respondents, the Complainants prayed for the following:

(1) To direct the respondent to register Plot no.184 & 225 in Little Wood(Whistling Meadows), Kamsampalle Village, Farooq Nagar Mandal, Rangareddy District, in favour of the complainants;

(or)

(2) To direct a full refund of Rs. 10,00,000/- paid on various dates along with interest 10.75% interest per annum till the date of realisation.

(3) Grant such other relief as this Hon'ble Authority deems fit and proper in the circumstances

### **C. Counter on behalf of Respondent No.3**

6. It is submitted that the Respondent No.3 read the Complaint filed Under Section 31 of the Act along with Documents filed by the Complainant and having understood the contents thereof and without prejudice to the contentions stated below, the Respondents submitting the following reply to the CC No. 247/2024/TG RERA (R.C.No.D/1579/2024/TG RERA) pending before this Hon'ble Authority.

7. That the property covered in the present complaint i.e., Plot No.225, admeasuring 183 Sq. Yds in Sy.No.67/P, 68/P, 73/P, 75/P & 76/P, situated at Kamsanpalle Village, Farooq Nagar Mandal, Ranga Reddy District, TG is belongs to the Respondent No.3 and either the Respondent No.1 or Respondent No.2 are no way concern or relates to the said Plot No.225 and they have no right to enter into any type of Agreement/s or MOU/s with anybody including the Complainant herein and as such the alleged execution of MOU dated 31-01-2022, executed between the Respondent No.1 and 2 with Complainant is not valid and not binding on this Respondent No.3.

8. That the alleged MOU dated 31-01-2022 is relates to Plot No.225 is belongs to the Respondent No.3 and either the Respondent No.1 or Respondent No.2 are no way concern or relates to the said Plot No.225 and they have no right to enter into any type of Agreement/s or MOU/s with anybody including the Complainant herein and as such the alleged execution of MOU dated 31-01-2022, executed between the Respondent No.1 and 2 with Complainant is not valid and not binding on this Respondent No.3 and the alleged MOU shows that the said MOU executed between them for investment purpose for their business terms and without valid right or title they dragged the Respondent No.3's Plot i.e., Plot No.225 into the present complaint and as such the Respondent No.3 is reserving their right to sue or take appropriate action either under penal provisions or other provisions available under law including damages against them and the Respondent No.3 is not liable or responsible if any breach caused between the

Respondent No.1 & 2 and Complainant; and that the Complainant not entitled any relief sought through the present complaint as the subject Plot i.e., Plot No.225 covered in the present complaint are belongs to the Respondent No.3 and as such the present complaint is not maintainable and liable to be dismissed with exemplary costs..

9. Hence, the Respondent No.3 is therefore prayed that this Hon'ble Authority may be pleased to dismiss the Complaint vide CC No. 247/2024/TG RERA (R.C.No.D/1579/2024/TG RERA) filed Under Section 31 of the Act by the Complainant with exemplary costs and to pass such other order or orders in the interest of justice.

**D. Rejoinder Filed by the Complainant:**

10. It is submitted that, M/s BNR Townships Pvt Ltd herein Respondent No. 3 is the original developer of the "Whistling Meadows" project consisting of open plots located in Survey Nos. 67/P, 68/P, 73/P, 75/P, and 76/P in Kamsanpally Village, Farooqnagar Mandal, Rangareddy District. The total land area involved in this development covers 17 acres and 31 guntas, out of a larger parcel of 18 acres and 2 guntas. The project was officially registered with the Telangana State Real Estate Regulatory Authority under Registration Certificate No. P02400002304, dated 31.10.2020, confirming its legal status and compliance with state real estate regulations.

11. That following several communications and after being persuaded by the representatives of Respondent No. 1, the Complainant decided to invest in the project. On 28.02.2022, a Memorandum of Understanding (MOU) was entered into between Respondent No. 1. It is respectfully submitted that, at the time of executing the Memorandum of Understanding (MOU), the Complainant was led to believe that Respondent No. 1 was acting as the authorized representative of Respondent No. 3. This belief was induced by the presentation of an Agreement of Sale cum General Power of Attorney, purportedly evidencing such authority. Relying on this Agreement, the Complainant was persuaded to enter into the MOU and proceed with the purchase of the said plot. In this MOU, Respondent No. 1 claimed to be the absolute and unencumbered owner of the offered land and proposed Plot No. 184, admeasuring 147 square yards, situated in Survey Nos. 67/P, 68/P, 73/P, 75/P, and 76/P, located in Kamsanpally Village. The offer was made with reference to DTCP Approval letter Roc. No. 123031/788/2020c-panchayat, dated 18.08.2020. In addition, Respondent No. 1 promised to provide monthly returns of Rs. 30,000 on an investment of Rs. 10,00,000 for a period of 36 months from the date of the last payment. It was further assured that the plot would be

registered in the name of the Complainant and that the Complainant would enjoy peaceful possession of the property from the date of registration.

12. That after trusting these promises, the Complainant made all the required payments to Respondent No. 1. However, despite repeated calls and attempts to communicate, the representatives of Respondent No. 1 became unresponsive, leading to significant delays in both the registration process and the payment of the promised returns. Over time, the Complainant discovered that many other allottees in the project had also been misled by Respondent No. 1 in a similar manner.

13. That despite patiently waiting for the promised returns and plot registration, the Complainant was left with no choice but to approach this Hon'ble Authority, as Respondent No. 1 failed to honor their commitments, giving nothing but false assurances. To date, the promised plot registration has not been completed, nor has the sum of Rs. 30,000 per month in returns been provided.

14. That in the complaint filed before the Hon'ble Authority, the plot number was erroneously and inadvertently mentioned as Plot No. 148, whereas the correct plot number, as stipulated in the Memorandum of Understanding dated 28.02.2022, is Plot No. 184.

15. That the Complainant herein, at the very outset unequivocally denies all the averments made by Respondent No. 3 in the Counter Affidavit filed by them. reflected in the Memorandum of Understanding dated 28.02.2022. Furthermore, it is categorically denied that Respondents No. 1 and No. 2 have no concern or relation with the property in question. The Complainant was shown by Respondent No. 1 an Agreement of Sale cum General Power of Attorney, which explicitly indicated that the said plot was within the purview of Respondent No. 1. Additionally, the Complainant was led to believe that both Respondents No. 1 and No. 3 acted in concert. By virtue of executing the Memorandum of Understanding, both Respondents were well aware of each other's actions and representations. Therefore, the execution of the MOU dated 28.02.2022 between Respondents No. 1, No. 3, and the Complainant is valid and binding on Respondent No. 3, contrary to the assertions made in the paragraph.

16. The Complainant denies the allegations as false and incorrect and put them to strict proof of the same. The Complainant denies the claim that the MOU dated 28-02-2022 relates solely to Plot No. 148. It is reiterated that the correct plot number is Plot No. 184, and the earlier reference to Plot No. 148 was made inadvertently. The Complainant denies the assertion that Plot No. 184 exclusively belongs to Respondent No. 3 and that Respondents No. 1 and No.

2 have no connection or authority over the said plot. In fact, Respondent No. 1 had shown the Complainant an Agreement of Sale cum General Power of Attorney, which indicated that Plot No. 184 was within the control of Respondent No. 1, and both Respondents acted in concert in the transaction. The Complainant denies the claim that Respondents No. 1 and No. 2 had no right to enter into any Agreements or MOUs concerning Plot No. 184 with the Complainant. The MOU was executed based on valid authority and representations made by Respondent No. 1, and the Complainant proceeded with the purchase in good faith. The Complainant denies that the execution of the MOU dated 28-02-2022 is invalid or not binding on Respondent No. 3. Both Respondents acted together, and the MOU is legally binding on all parties involved, including Respondent No. 3. The Complainant denies the allegation that the MOU was executed for investment or business purposes. The MOU was entered into with the intent of purchasing Plot No. 184, based on representations made by Respondents No. 1 and No. 3. The Complainant denies the assertion that Respondent No. 3's Plot, whether Plot No. 148 or Plot No. 184, was wrongly included in the present complaint. The Complainant acted upon the representations of Respondent No. 1 and was shown that Plot No. 184 was part of the transaction. The Complainant denies that Respondent No. 3 reserves any right to sue or take action under penal or other legal provisions. There has been no breach by the Complainant, and the Complainant has relied on the lawful representations made by Respondents No. 1 and No. 3. The Complainant denies that the present complaint is not maintainable or liable to be dismissed. The Complainant is entitled to the relief sought in the complaint, as the subject plot, Plot No. 184, was legitimately included in the transaction and the MOU is valid and binding on all Respondents.

17. In view of the above-mentioned facts, circumstances and law, it is humbly prayed before this Hon'ble Authority that it be pleased to allow the present complaint with the reliefs prayed in the Complaint and be pleased to pass such other order or order as this Hon'ble Authority deems fit and proper in the circumstances of the case in the interest of justice.

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

18. Upon issuance of notice, Respondent No.3 entered appearance through Counsels Sri D. Rajasekhar, Sri Vinod Kumar Lahoti, and Sri M. Buchi Babu. However, there was no representation from Respondent Nos. 1 and 2 despite due service of notice. Even after repeated opportunities, the said Respondents failed to appear or submit any reply before this Authority. Accordingly, Respondent Nos. 1 and 2 were set ex parte vide Order dated 07.02.2025.

19. The Complainants have sought either registration of the plots or refund of the amounts paid. For clarity, the relevant factual matrix is tabulated as under:

S.No	Complaint No.	Complainant Name	Amount Paid (Rs.)	Memorandum of Understanding date
1.	113/2024	Sanchu Santhosh Babu	10,00,000	28.02.2022
2.	247/2024	Sunkara Kiran Kumar	12,80,817	31.01.2022

20. Both Complainants entered into separate Memoranda of Understanding (MoUs) with Respondent No.1, namely M/s Kapestone Properties India Pvt. Ltd., who claimed to be the absolute and unencumbered owner of the subject lands situated in Survey Nos. 67/P, 68/P, 73/P, 75/P & 76/P at Kamsampalle Village, Farooqnagar Mandal, Ranga Reddy District, relying upon DTCP approval vide Roc. No. 123031/788/2-2 dated 18.08.2020. The MoUs further stipulated that Respondent No.1 would provide fixed returns until registration of the plots was completed.

21. The Complainants assert that the aforementioned lands form part of a real estate project titled “Whistling Meadows”, being developed by Respondent No.3, over a land extent of 17 acres and 31 guntas (out of a larger area of 18 acres and 2 guntas), which stands duly registered with Telangana RERA under Project Registration No. P02400002304

22. It is further alleged that Respondent No.3, acting in concert with Respondent Nos.1 and 2, facilitated and induced the Complainants to invest in the project under the guise of an Agreement of Sale-cum-General Power of Attorney (AGPA), wherein it was represented that Respondent No.1 had received certain plots from Respondent No.3 and was thereby authorised to transact with third parties. The Complainants contend that the acts of Respondents Nos.1 and 3 were collaborative and in concert, and thereby jointly facilitated the marketing and sale of the subject plots.

23. While Respondents Nos.1 and 2 remained ex parte, Respondent No.3 has denied all allegations and disowned any connection with the MoUs. It is contended that Respondent Nos.1

and 2 had no authority or legal right to enter into any MoUs or agreements on behalf of Respondent No.3 and that any such documents are void and unenforceable.

24. This Authority has perused the Agreement of Sale-cum-General Power of Attorney dated 11.01.2022 executed by Respondent No.3 in favour of Respondent No.2, authorising the latter inter alia to execute sale deeds either in his own name or in favour of third parties, to collect sale consideration, to present documents for registration, and to otherwise act on behalf of Respondent No.3 with respect to specified plots in the Whistling Meadows project notably Plot Nos. 214, 215, 219, 220, and 221.

25. However, the MoUs entered into with the Complainants were executed by Respondent No.1. Upon examination of the records available in the public domain, including those from the Ministry of Corporate Affairs, it is observed that M/s Kapestone Properties India Pvt. Ltd. (Respondent No.1) is a company having two designated Directors Mr. Srinivas Kakarla (DIN: 08755884) and Mr. Srinivas Rao Bolla (DIN: 08755885), who is also Respondent No.2 herein. Both individuals are listed as Promoters.

26. It is, therefore, surprising and unacceptable that Respondent No.3 seeks to disclaim all liability despite having executed a registered AGPA dated 11.01.2022 in favour of Respondent No.2, who is a Director and Promoter of Respondent No.1 the very entity that entered into MoUs with the Complainants. The Authority finds that the connections between the Respondents are direct, substantial, and cannot be overlooked. The denial of association by Respondent No.3 is not only disingenuous but amounts to a gross misrepresentation before this Authority and is accordingly rejected.

27. It is evident that Respondent No.3, by virtue of executing the AGPA in favour of Respondent No.2 who holds the position of Director in Respondent No.1 enabled the latter to market and sell plots in the project. The authority to execute agreements, collect consideration, and present documents for registration was unequivocally conferred by Respondent No.3. Consequently, this Authority holds that Respondent No.3 was not only complicit but was fully aware of and facilitated the transactions that gave rise to the present grievances.

28. This Authority also notes that Respondent Nos.1 and 2 do not possess any registered legal right, title, or interest in the plots allegedly allotted to the Complainants. However, the conduct of Respondent No.1 in marketing, negotiating, and collecting sale consideration clearly constitutes unauthorised activity in violation of the provisions of the RE(R&D) Act, 2016.



29. Despite Respondent No.3's contentions, it failed to take any steps to prevent or address these unauthorised acts or to protect the interests of the allottees. Rather, by empowering Respondent No.2 a Director of Respondent No.1 through a registered AGPA, it directly contributed to the unauthorised acts that followed.

30. With regard to the relief sought for registration of the subject plots, this Authority is of the view that the same is not maintainable in the present case in the absence of valid title and legal transfer. The AGPA executed by Respondent No.3 in favour of Respondent No.2 pertains only to certain plots, and the plots claimed to have been allotted to the Complainants do not form part of the said AGPA. Further, there is no clarity placed on record as to whether the said plots are vacant, encumbered, or otherwise free from third-party claims. In the absence of any conclusive documentation establishing title, possession, or the right to convey the said plots in favour of the Complainants, the Authority finds no merit in the relief sought. Accordingly, the request for registration is rejected.

31. As to the alternative prayer for refund, this Authority is of the considered opinion that the Complainants are entitled to relief under Section 18(1)(b) of the Real Estate (Regulation and Development) Act, 2016. Where a promoter fails to complete or is unable to deliver possession in accordance with the terms of agreement, the allottee is entitled to a refund of the amounts paid along with applicable interest.

32. In the instant case, Respondent No.3 empowered Respondent No.2 via AGPA to act on its behalf. Respondent No.2, in his capacity as Director and Promoter of Respondent No.1, executed MoUs and collected consideration from the Complainants. Though Respondent No.3 did not directly enter into the MoUs, it must bear joint responsibility owing to its enabling actions.

34. Therefore, this Authority holds that Respondent Nos.1, 2, and 3 are jointly and severally liable to refund the amounts collected from the Complainants:

- a) Respondent No.1 is liable for executing the MoUs and receiving consideration;
- b) Respondent No.2 is liable as the AGPA holder of Respondent No.3 and Director of Respondent No.1;
- c) Respondent No.3 is liable for empowering Respondent No.2 through a registered AGPA to act on its behalf with respect to specified plots.

35. Accordingly, this Authority directs that the amounts paid by the Complainants be refunded jointly and severally by Respondent Nos.1, 2, and 3, along with interest calculated from the date of each respective payment. The rate of interest shall be in accordance with Rule 15 of the Telangana RERA Rules, 2017 i.e., the State Bank of India's highest Marginal Cost of Lending Rate (MCLR) plus 2%.

36. While the role of Respondent No.1 as a promoter is clearly established, this Authority is required to examine whether his actions constitute a contravention of Section 3 of the Real Estate (Regulation and Development) Act, 2016, which mandates that no promoter shall advertise, market, book, sell, or offer for sale any plot, apartment, or building in a real estate project without prior registration with the Real Estate Regulatory Authority, where the project exceeds 8 plots or 500 square metres.

37. Respondent No.1, in the Memoranda of Understanding (MoUs) executed with the Complainants, represented himself to be the absolute owner of the land situated in Survey Nos. 67/p, 68/p, 73/p, and 75/p, and further claimed to have obtained DTCP approval for the layout vide Letter No. Roc.123031/788/2020/e-Panchayat dated 18.08.2020.

38. The layout plan displayed by Respondent No.1 bearing the proposed layout number T.L.P No. 174/2020H, titled under the project name "*Little Woods*" and carrying the logo of Jaya Group indicates that Respondent No.1 was actively engaged in the marketing, advertisement, and offer for sale of plots in a real estate project covering a total area of 85,031 square yards, comprising 240 plots.

39. This clearly exceeds the threshold limits laid down under the first proviso to Section 3(2) of the Act and thereby disqualifies the project from registration exemption. Consequently, Respondent No.1's actions of marketing and offering plots for sale without RERA registration squarely fall within the ambit of violation of Section 3 of the RE(R&D)Act.

40. Accordingly, this Authority finds that Respondent No.1 has contravened Section 3 of the Real Estate (Regulation and Development) Act, 2016, and such contravention attracts the penal consequences stipulated under Section 59 of the RE(R&D)Act.

41. Further, this Authority notes that while the entity Jayathri Infrastructures Pvt. Ltd. stands declared as a defaulter, it is evident from the facts and documents on record that Mr. Kakarla Srinivas, as the Managing Director and active controlling mind behind multiple entities including M/s Kapestone Infra, M/s Jayathri Reliaities India Pvt Ltd, M/s Jaya Group, and

others, has personally engaged in, authorised, and benefitted from the regulatory violations. Given the repeated misuse of corporate structure to evade accountability and the paramount objective of protecting the allottees, this Authority deems it necessary to declare Mr. Kakarla Srinivas individually as a defaulter.

42. The actions of Mr. Kakarla Srinivas reveal a deliberate and continuing abuse of the corporate form. He has systematically evaded regulatory oversight, deceived consumers, and misappropriated funds in clear and blatant contravention of law. This Authority is of the considered view that Mr. Srinivas has not merely acted on behalf of the corporate entities, but has in fact been the direct and active beneficiary of the amounts collected from allottees by falsely claiming ownership and control over lands and projects. His conduct, therefore, amounts to unfair trade practices, wilful misrepresentation, and intentional violation of the provisions of the Real Estate (Regulation and Development) Act, 2016.

43. In light of the above, this Authority is of the firm opinion that this is a fit case for invoking the doctrine of piercing the corporate veil. The principle, well-recognized in Indian jurisprudence, enables regulatory and judicial forums to look beyond the corporate identity where such identity is used as a façade to perpetuate fraud or evade obligations. Allowing Mr. Srinivas to shelter behind the corporate veil would render the regulatory mechanism under the Act ineffective, and embolden other promoters to misuse the corporate structure to evade personal responsibility while unlawfully enjoying the hard-earned money of allottees.

44. This Authority underscores that its primary mandate under the Real Estate (Regulation and Development) Act, 2016 is to safeguard the interests of allottees, promote transparency and accountability in the real estate sector, and curtail fraudulent practices that undermine the confidence of consumers. Any conduct that amounts to misrepresentation, unauthorised marketing, or collection of funds in violation of the RE(R&D) Act, directly impacts the rights of innocent homebuyers and threatens the integrity of the regulatory mechanism.

45. Therefore, in discharge of its statutory obligation to uphold consumer protection, this Authority deems it necessary not only to grant appropriate relief to the aggrieved allottees, but also to ensure that erring promoters and individuals are held accountable for their actions. Failure to do so would defeat the very purpose and spirit of the RE(R&D) Act, which aims to bring long-overdue reform and discipline to the real estate sector.

46. Accordingly, this Authority finds that Mr. Kakarla Srinivas, having direct and wilful involvement in the unauthorised activities of Respondent No.1 and other associated entities, is

personally liable for the violations committed. This personal liability arises not merely from his official position, but from his active role in perpetrating fraud, misrepresentation, and unauthorised real estate activity under the guise of corporate entities.

47. In view of the above and in exercise of powers under Section 34(f), Section 35 and Section 37 of RE(R&D) Act, the Authority directs the Secretary, Telangana RERA, to:

- a. To declare Mr. Kakarla Srinivas individually as a "Defaulter" under the provisions of the RE(R&D) Act, for contraventions established in this matter;.
- b. To prominently display his photograph and name, along with the names of associated entities including M/s Kapestone Infra, M/s Jayathri Relaitbies India Pvt Ltd, M/s Jaya Group and any other connected firms or entities, under a dedicated column titled "Defaulters' List" on the official website of Telangana RERA;
- c. To initiate a comprehensive investigation into other possible instances of pre-launch marketing, unauthorised advertisement and sale of plots, or similar regulatory violations committed by Mr. Kakarla Srinivas under various company names, and take further action as warranted under the RE(R&D) Act. Place the report before this Authority for further necessary and stringent action under the Act and Rules.

48. With regard to Respondent No.3, this Authority expresses strong disapproval of the evasive and contradictory conduct displayed. Despite executing an Agreement of Sale cum General Power of Attorney (AGPA) in favour of Respondent No.2, thereby enabling substantial promoter-like powers, Respondent No.3 has disclaimed responsibility for Respondent No.2's actions.

49. Such ambiguous delegation of authority causes confusion, facilitates misrepresentation, and leads to exploitation of innocent allottees. This Authority sternly cautions Respondent No.3 against executing vague, unrestricted AGPAs without robust safeguards. Any future repetition of such conduct shall attract proceedings under Sections 7 and 59 or any other relevant provision of the RE(R&D)

50. If this Authority, upon future complaints or investigation, finds that Respondent No.2 has further misused the AGPA in relation to the project, in a manner prejudicial to allottees or in violation of the RE(R&D) Act, stringent action shall also be taken against Respondent No.3.

51. This Authority also finds it necessary to caution the Complainants, who despite certain red flags, failed to perform elementary due diligence. The Complainants were aware that the project shown by Respondent No.1 did not match the name or details available on the RERA

portal. A simple verification would have revealed that Respondent No.1 had no registered rights, and the project under the title "Little Woods" was not a RERA-registered project. Yet, the Complainants proceeded to pay substantial sums towards booking, enabling the unauthorised actor to defraud them. Buyers are strongly advised to verify project credentials, ownership, and promoter registration details before entering into any financial or contractual engagement.

**G. Directions of the Authority:**

52. In view of the foregoing findings and in exercise of the powers conferred under the Real Estate (Regulation and Development) Act, 2016, the Authority issues the following directions:

- A. The Complainants in Complaint Nos. 113/2024 and 247/2024 are entitled to a refund of the amounts paid, i.e., ₹10,00,000/- and ₹12,80,817/- respectively, from Respondent No.1, Respondent 2 and Respondent no.3. Respondent Nos. 1, 2, and 3 are hereby held jointly and severally liable to refund the amounts collected from the respective Complainants.
- B. The said refund shall be made along with interest calculated from the respective dates of receipt of each amount, at the rate prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, i.e., the prevailing SBI MCLR plus 2%, (9% plus 2% ) until the date of actual refund.
- C. The said amount shall be refunded within a period of 30 days from the date of this Order.
- D. For violation of Sections 3 and 4 i.e., for non-registration of the concerned project the Respondent is liable for penalty under Sections 59 and 60 respectively, therefore, the Respondent 1 is directed to pay penalty of Rs. 21,08,385/- (Rupees Twenty one lakh eight thousand three hundred and eighty five only ) payable within 30 days from the date of this Order, in favour of TGRERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036;
- E. The Secretary, Telangana RERA, is directed to:
  - a) To declare Mr. Kakarla Srinivas individually as a "Defaulter" under the provisions of the RE(R&D) Act, for contraventions established in this matter;.
  - b) To prominently display his photograph and name, along with the names of associated entities including M/s Kapestone Infra, M/s Jayathri Reliabties

India Pvt Ltd, M/s Jaya Group and any other connected firms or entities, under a dedicated column titled “Defaulters’ List” on the official website of Telangana RERA;

- c) To initiate a comprehensive investigation into other possible instances of pre-launch marketing, unauthorised advertisement and sale of plots, or similar regulatory violations committed by Mr. Kakarla Srinivas under various company names, and take further action as warranted under the RE(R&D) Act. Place the report before this Authority for further necessary and stringent action under the Act and Rules.

F. Respondent No.3 – M/s Whistling Meadows Developers Pvt. Ltd., is hereby cautioned against entering into ambiguous or uncontrolled Agreements of Sale cum General Power of Attorney that enable third parties to act in the capacity of promoters while disassociating themselves from the consequences. Any future deviation shall attract action under Sections 7, 59 & 63, or other appropriate provisions of the RE(R&D) Act.

53. Failure to comply with above said directions by the Respondents shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.

54. As a result, the complaint is disposed of accordingly. No order as to costs.

**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**