

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Dated: 23rd May 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. 272 OF 2024

Between

Meenavol Ananth

...Complainant

R/o H.no. 1-2-34, Flat no. 204,
Maruthi Homes, Maruthi Nagar, Kothpaet,
Hyderabad - 500035

AND

M/s Jayathri Infrastructures India Pvt. Ltd. – rep by Kakarala Srinivas ...Respondent

Plot no. 140/141, Eminent Plaza,
6th Phase, KPHB Colony, Kukatpally,
Hyderabad – 500085.

COMPLAINT NO. 273 OF 2024

Between

Naresh Veesam

...Complainant

R/o Plot 865, 2nd Floor, Road no 9,
IDPL Vasanth Nagar, KPHB,
Hyderabad - 500085

AND

M/s Jayathri Infrastructures India Pvt. Ltd. – rep by Kakarala Srinivas ...Respondent

Plot no. 140/141, Eminent Plaza,
6th Phase, KPHB Colony, Kukatpally,
Hyderabad – 500085.

The above-mentioned complaints 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 “TG RE(R&D) Rules, 2017”), came up for final hearing before this Authority on 07.01.2025. Learned Counsel MJ appeared on behalf of the Complainants. Despite due service of notice, there was no appearance on behalf of the

Respondent, either in person or through counsel. Accordingly, the Respondent was proceeded ex parte vide order dated 07.01.2025. Upon hearing the submissions and perusal of the material available on record, and the matter reserved over for the consideration till this date, this Authority passes the present Common Order:

ORDER

A. The Brief facts of the case

2. Meenavol Ananth (hereinafter referred to as Complainant 1) submitted that he had received promotional messages from the Respondent regarding the “Lexico Park” project and thereafter entered into a Memorandum of Understanding (MoU) dated 18.07.2021 for the purchase of Flat No. 506 in Block 4 for a total consideration of ₹63,35,000/-. As per the MoU, possession was to be delivered by December 2024. Owing to lack of progress and loss of confidence in the Respondent’s assurances, he cancelled the booking in October 2022.

3. Naresh Veeram (hereinafter referred to as Complainant 2) also responded to similar promotional material and proceeded to book Flat No. 203 in Block 6 for ₹13,75,000/-. The promised delivery date was also December 2024. Upon the Respondent’s failure to show progress, Complainant No.2 sought withdrawal and refund. Though the Respondent refunded ₹6,00,000/-, the balance ₹10,00,000/- remained unpaid despite assurances to pay it in two instalments.

4. Both complainants allege that the Respondent failed to complete or even register the project, and that the entire transaction took place without the required statutory approvals.

B. Relief(s) Sought

5. The Complainants seek the refund of the amounts paid towards the purchase of their respective units in the project “Lexico Park/Kondapur Central”, along with interest at the rate prescribed under the RE(R&D) Act.

C. Observations of Authority:

6. Section 3(1) of the RE(R&D) Act mandates that no promoter shall advertise, market, book, sell, or offer for sale, or invite persons to purchase in any real estate project without registering the project with the Real Estate Regulatory Authority. Section 3(2) lists exemptions, which are not applicable in the present case. Read as:

(1) 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.

Section 3(2) provides the projects that are exempt from registration, which reads as follows:

(a) where the area of land proposed to be developed does not exceed five hundred square meters or the number of apartments proposed to be developed does not exceed eight inclusive of all phases: Provided that, if the appropriate Government considers it necessary, it may, reduce the threshold below five hundred square meters or eight apartments, as the case may be, inclusive of all phases, for exemption from registration under this Act;

7. Upon perusal of the record, this Authority finds that the Respondent has extensively advertised and promoted the “Lexico Park/Kondapur Central” project, entered into MOUs, received substantial sums from various allottees, and issued receipts all without having obtained legal title to the land or securing requisite permissions and registration with this Authority.

8. The project in question is not exempt under Section 3(2), as it exceeds both the threshold of 500 sq.m. area and 8 units. Thus, the project ought to have been registered under the Act. The actions of the Respondent are in blatant violation of Section 3 of the RE(R&D) Act.

9. The non-registration of a project under Section 3 attracts penal consequences under Section 59 of the RE(R&D) Act. In this regard, it is relevant to note that this Authority, vide Order dated 05.08.2024 in the matter titled “Batch Matter – Project Lexico Park/Kondapur Central,” had already imposed a penalty of ₹1,16,99,344/- on the Respondents. Therefore, no further penalty is imposed in the present matter for the same violation.

10. The Complainants have sought refund of the amounts paid along with interest. It is pertinent to note that Section 18 of the Real Estate (Regulation and Development) Act, 2016, enshrines one of the core remedies available to allottees in circumstances where the promoter fails to complete or is unable to hand over possession of the apartment, plot or building as agreed. Specifically, Section 18(1)(a) stipulates that:

“If the promoter fails to complete or is unable to give possession of an apartment, plot or building, in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein, 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...”

11. While the provision refers to the "agreement for sale", it is well settled that even in the absence of a registered agreement, if the promoter has accepted monies and failed to deliver possession, Section 18 remains applicable. Further, notably, these MoUs are silent on crucial legal aspects, such as the promoter's title to the land, the status of statutory approvals, and the specific rights and obligations of the parties. This Authority is of the considered view that the Respondent has, by resorting to such informal and unregulated instruments, sought to circumvent the regulatory architecture of the RE(R&D) Act, and to unlawfully solicit investments through a pre-launch scheme, in clear violation of the said Act.

12. It is also pertinent to note that this Authority has previously received multiple complaints against the Respondent Company pertaining to the same project. In the prior batch of matters, this Authority, vide order dated 05.08.2024, had directed an inspection of the project "Lexico Park/Kondapur Central." As per the inspection report submitted by the Engineering Staff College of India (ESCI), the Respondent was found to have fraudulently collected monies from allottees, engaged in false and misleading advertisements, and executed legally defective MOUs, which did not disclose material details such as ownership of land, development rights, or building permissions.

13. Such conduct involving solicitation of funds through unregistered, pre-launch schemes, absence of land title, non-obtaining of approvals, and deliberate delay in disclosure displays a reckless disregard for the statutory duties imposed upon promoters under the RE(R&D) Act. The Respondent has, without doubt, violated the provisions of Sections 3, 4, and 11 of the RE(R&D) Act, thereby frustrating the regulatory objectives of the legislation, which seek to instill transparency, accountability, and consumer confidence in the real estate sector.

14. The partial refund of ₹6,00,000/- to Complainant No.2, and the issuance of post-dated cheques to Complainant No.1 which were dishonoured constitute admissions of liability. However, the failure to complete the refund, combined with the Respondent's absence before this Authority, reflects continued disregard for both legal obligations and regulatory processes.

15. In light of the above facts and circumstances, this Authority is of the considered view that the Complainants, having been denied their rightful allotments despite paying substantial

sums, are legally entitled to receive a full refund of the amounts paid, along with interest from the date of respective MOU or receipts of payments which is earlier, in terms of Section 18(1)(a) of the RE(R&D) Act. The claims of the Complainants are legally tenable, morally justified, and equitably warranted, particularly in view of the egregious and repeated defaults committed by the Respondent.

16. The rate of interest shall be calculated at the rate prescribed under the TG RE(R&D) Rule 2017, i.e., MCLR of SBI plus two per cent, i.e. 11% (9.0 + 2) per annum calculated from the date of receipt of each payment until the date of repayment.

D. Direction of the Authority

17. 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, M/s Jayathri Infrastructures India Pvt. Ltd., is directed to refund:
 - a. ₹63,35,000/- to Complainant No.1 (Shri Meenavol Ananth)
 - b. ₹13,75,000/- to Complainant No.2 (Shri Naresh Veesam), after adjusting ₹6,00,000/- already refundedalong with interest @11% per annum, calculated from the date of respective MOUs or receipts (whichever is earlier), until full realization.
- ii. The total amounts, including interest, shall be refunded within 60 (sixty) days from the date of this Order.

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

19. 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**