

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

**5<sup>th</sup> August, 2024**

**Corum:** Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson  
Sri LaxmiNarayanaJannu, Hon'ble Member  
Sri K. SrinivasaRao, Hon'ble Member

**COMPLAINT NO.1390 OF 2024**

Between

**M.Sathvika**

**.... Complainant**

**AND**

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

**.... Respondent**

**COMPLAINT NO.1583 OF 2024**

Between

**Sri Applaraju Jajula**

**.... Complainant**

**AND**

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

**.... Respondent**

**COMPLAINT NO.1584 OF 2024**

Between

**Sri Partik Bhalgat**

**.... Complainant**

**AND**

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

**.... Respondent**

**COMPLAINT NO.1209 OF 2023**

Between

**Sri Kumar Nihar Kanta Kar**

**.... Complainant**

**AND**

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

**.... Respondent**

**COMPLAINT NO.1185 OF 2023**

Between

**Cherukuri Saikumar**

**.... Complainant**

**AND**

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

**.... Respondent**

**COMPLAINT NO.1203 OF 2023**

Between

**Sri Sai Krishna Davuluri**

.... Complainant

**AND**

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

.... Respondent

**COMPLAINT NO.1311 OF 2023**

Between

**Sri K.Ashoka Kumar & K.Pratuyusha**

.... Complainant

**AND**

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

.... Respondent

**COMPLAINT NO.1317 OF 2023**

Between

**Sri P.am Kumar**

.... Complainant

**AND**

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

.... Respondent

**COMPLAINT NO.1555 OF 2023**

Between

**Sri Sravanth Vankayalapati**

.... Complainant

**AND**

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

.... Respondent

**COMPLAINT NO.1209 OF 2023**

Between

**Sri Kumar Nihar Kanta Kar & C.Lavanya**

.... Complainant

**AND**

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

.... Respondent

**COMPLAINT NO.1552 OF 2023**

Between

**Sri Nagarapu Srujana**

.... Complainant

**AND**

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

.... Respondent

**COMPLAINT NO.1326 OF 2023**

Between

**Sri P.Sainath**

.... Complainant

**AND**

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

.... Respondent

**COMPLAINT NO.1197 OF 2023**

Between

**Sri BVN Bhanu Murthy**

.... Complainant

**AND**

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

.... Respondent

**COMPLAINT NO.1119 OF 2023**

Between

**Sri Mamidipalli Saroja Suguma**

.... Complainant

**AND**

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

.... Respondent

There complaints have come for final hearing on 23.04.2024, before this authority, in the presence of Complainants party in persons and Respondent counsel Sri Ramabika in all the complaints and after hearing both the parties, the Authority passes the following:

**COMMON ORDER**

2. These complaints have 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.

3. The case of the complainants in all the complaints is on similar grounds. Similarly the stand taken by the Respondent in their counters is also same. Therefore for the sake of the convenience and to avoid repetitions the pleadings from the complaint no.1311 of 2023 are referred below.

**A. Facts of the Case:**

4. The complainants engaged in the pre-launch offer for the acquisition of units and subsequently made advance payments to M/s Jayathri Infrastructures for the Lexico Park Kondapur/Kondapur Central project.

5. Notwithstanding assurances provided by the Builder to complete and deliver the project by December 2024, no construction activity has commenced since March 2021.

6. During an inquiry into the progress of the project, the management of the Respondent informed the complainants that the project had been cancelled and that the amounts paid would be refunded. However, as of the date hereof, the Respondent has failed to effectuate the refund.

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

7. Refund of the amount along with interest.

**C. Respondent's Reply:**

9. With the consent of the Authority, the Respondent will resolve the issues within a period of three months.

10. The Respondent is willing to settle the matter through cash or property with the complainants' consent.

11. If the Authority accepts the proposal, the Respondent shall arrange cash or substitute land for the complainants and repay the amount within three months.

**D. Hearing Conducted:**

12. During the hearing, both parties requested to consolidate the fourteen (14) complaints and issue a common order. Consequently, the fourteen complaints were disposed of by a common order. Both parties were heard.

13. Hearings were conducted on 06.03.2024, 02.04.2024, and 23.04.2024. During the hearings, the complainants reiterated their original contentions. Given the Respondent's unclear role and the Authority's awareness of malpractices by M/s Jayathri Infrastructures Pvt Ltd in other projects, the Authority, under Section 35 of the Real Estate (Regulation and Development) Act, 2016 (RE(R&D) Act), directed the Engineering Staff College of India (ESCI) via letter no. 1458/2023/TSRERA dated 10.10.2023 to conduct an inspection and submit a comprehensive evaluation report for the project "Lexico Park/Kondapur Central."

14. As per the report submitted, M/s Jayathri Infrastructures India Private Limited has resorted to unfair trade practices and fraudulently collected amounts from prospective buyers by misleading the public through false advertisements, banners, and hoardings. They have also collected amounts from prospective buyers based on Memorandums of Understanding (MOUs) entered into between M/s Jayathri Infrastructures India Private Limited and the prospective buyers. Prima facie, the MOUs do not contain any particulars about the legal authority of Jayathri Infrastructures India Private Limited to undertake the project, as they are silent on vital points such as ownership of the land, mode of transfer to M/s Jayathri Infrastructures India Private Limited for development, and details of building permissions obtained. Prima facie, it appears that the company, under the pretext of a pre-launch offer, has lured gullible customers to invest their hard-earned money in the proposed project.

15. Further, the respondent counsel submitted before the Authority that they were in the process of entering into an MOU with the landowners for the construction of the project; however, due to non-compliance by the Respondent promoter, they could not initiate construction. The projects Lexico Park and Kondapur Central are one and the same. The Respondent's counsel submitted that they are willing to repay the amounts to the allottees within three months.

16. At the final hearing, the complainants consented to the Respondent's proposal and submitted a letter dated 23.04.2024 indicating their consent.

However, they requested the Authority to ensure that the settlement is made in cash with interest, not through property.

**E. Points for Consideration:**

**a. Whether the Respondent is in violation of Section 3 of the RE(R&D) Act?**

**b. Whether the complainants are entitled to the relief sought?**

17. **Point a:** The Authority has carefully reviewed the material on record and considered the contentions of the parties, along with the report submitted by ESCI. It is evident that the Respondent advertised the project "Lexico Park/Kondapur Central" on various websites, entered into MOUs, issued payment receipts under the same name to the allottees, and collected amounts for the flats in the concerned project. The Respondent, without acquiring any legal title, engaged in these acts despite lacking RERA registration for the project. The Respondent has evidently violated Section 3 of the RE(R&D) Act, 2016. Hence, the answer is affirmative.

18. **Point b:** The complainants have sought a refund with interest. Since the Respondent neither disputed nor refuted the relief sought by the complainants but instead submitted its willingness to refund the entire amount, the point is concluded. Hence, the complainants are entitled to a refund.

19. Whether the Respondent shall also pay interest is a point that needs clarification.

20. The provision for interest for delayed possession 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.

24. 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."***

21. The RERA Act thus provides a remedy to an allottee who wishes to withdraw from the project or seek a return on their investment. 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.

22. 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."***

23. From the averments made in the complaint, it is evident that the Respondent kept the complainants on hold for two – three years, making false promises about registering the units in the concerned project in the complainants' names. After the complaints were filed, the Respondent revealed that they had failed to acquire the project, preventing registration. The Authority believes that the complainants, having paid a significant amount in the hope of acquiring a unit, have been wronged due to the



Respondent's complete failure to execute the project. It is unjust for the complainants not to receive interest on the amount paid. Additionally, the Respondent has consistently violated the RE(R&D) Act by deceiving the public in various other projects, demonstrating mala fide intentions.

24. Therefore, in the interest of the allottees, the Authority believes that the complainants are entitled to interest. Under Sections 37 and 38 of the RE(R&D) Act, the Authority opines that the Respondent 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%.

25. The Respondent is hereby directed to refund the total amount paid by each complainant, together with interest at the rate of 10.65% per annum, computed from the date of the Memorandums of Understanding (MOUs) entered into, or, in the absence of such MOUs, from the date of the receipts issued to the complainants, until full realization. Such repayment shall be made within 90 days from the date of this order.

**F. 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 each complainant for the units in the project "Lexico Park/Kondapur Central" as mentioned above, along with interest of 10.65% per annum.
- II. The refund of the entire amount and interest accrued from the from the date of the Memorandums of Understanding (MOUs) entered into, 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.



1,16,99,344/-. 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

30. 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.

31. If aggrieved by this Order, the parties may approach the Telangana Real Estate Appellate Tribunal as per Section 44 of the Act, 2016.

		
<b>Sd/-</b> <b>Sri. K. Srinivas Rao,</b> <b>Hon'ble Member</b> <b>TG RERA</b>	<b>Sd/-</b> <b>Sri. Laxmi NaryanaJannu,</b> <b>Hon'ble Member</b> <b>TG RERA</b>	<b>Sd/-</b> <b>Dr. N. Satyanarayana, IAS (Retd.),</b> <b>Hon'ble Chairperson</b> <b>TG RERA</b>