BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Date: 17th November, 2026

Quorum: **Sri K. Srinivasa Rao, Hon'ble Member**
Sri Laxmi Narayana Jannu, Hon'ble Member

COMPLAINT NO. 445/2025/TGRERA

Konda VPT Reddy
(R/o. D-603, Aparna Silver Oaks, Aparna Hill Park,
Bandam Kommu, Chandanagar, Serilingampally,
Hyderabad, Telangana- 500500.)

…Complainant

Versus

M/s Sri Aditya Squares ***(rep by Managing Partners N. Srinivasa Babu & R. Srikanth Reddy)***
(Office at Ornate 2, Survey No: 193/5/1,193/5/2,208/A,208/Aa,209,210/Aa,212/Aa,
Plot No.: 256,257,258,259,260,261,262,263,264
At Ghanpur, Patancheru, Sangareddy-502300)

…Respondent

The present matter filed by the Complainant mentioned hereinabove came up for hearing before this Authority in the presence of the Complainant and the Respondent. Upon hearing the submissions of both the parties, this Authority proceeds to pass 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 Respondents.

A. Brief facts of the case as per the Form M filed by the Complainant:

3. The Complainant entered into a Memorandum of Understanding (MOU) dated 17th June 2022 for booking Flat No. 06, situated on the 10th Floor, Tower 1, Ornate 1. The Promoter/Developer had assured possession within 2.5 years from May 2022, with an additional grace period of six months.

4. The Complainant made an initial payment of ₹17,00,000/- (Rupees Seventeen Lakhs only) through account payee online transfer in favour of the Promoter/Developer. The total sale consideration as per the MOU is Rs. 67,56,500/-

5. Despite the committed possession timeline, construction has been delayed, and the project has only reached the 5th floor. The delay has caused the Complainant significant financial loss and mental trauma. Multiple follow-ups with the Promoter/Developer were made, but the grievances were ignored.

6. The Promoter/Developer had promised a refund on 12th June 2025; however, the said refund has not been made to date.

B. Relief(s) Sought

7. Accordingly, the Complainant sought the following relief(s):

i. *Please provide compensation along with interest to the amount paid Rs. 17,00,000/- from 17th June 2022.*

C. Counter filed by Respondent

8. The Counter Affidavit was filed by the Respondent, M/s Sri Aditya Squares, represented by its Managing Partner, Sri R. Srikanth Reddy. The Deponent solemnly affirmed that he was the duly authorized representative of the Respondent firm and was fully competent to swear the affidavit on its behalf. At the outset, the contents of the complaint were vehemently denied. It was submitted that the complaint was frivolous, without merit, and filed with an ulterior motive to obtain wrongful gain. It was further contended that the Complainant had not approached the Hon'ble Authority with clean hands and had suppressed material facts.

9. Regarding the background of the Respondent, it was submitted that the firm was engaged in the business of real estate development with uncompromising values, customer centricity, reliable standards, and transparency in its business operations. It was represented that the Respondent had developed and constructed several projects and, over a period of time, had established a valuable reputation in the real estate construction and infrastructure industry.

10. It was placed on record that the Project Land was earmarked for a Residential Use Zone. As per the land use information issued by HMDA vide Permit No. 048086/ZOC/R1/06/HMDA/00082021 dated 28-01-2022, in the name of M/s Sri Aditya Squares (ORNATE-1), the project comprised multi-storied apartment buildings, specifically Tower-1 with Cellar, Stilt, and 12 Upper Floors. The said project was to be known as 'ORNATE'

and had also obtained TS RERA Permission No. P01100006697. The Respondent submitted that all necessary permissions, including the RERA registration, sanctioned plan, specifications, and approvals for the project and apartments from the Greater Hyderabad Municipal Corporation, had been obtained and provided. The Respondent undertook to comply with all legal requirements for the proper and legal development of the project.

11. Detailing the transaction, it was submitted that the Complainant had booked a unit under an investment plan in the said project (ORNATE-1) in Tower-1, being Flat No. 1006. The flat was East-facing, admeasuring 1455 Square Feet, of Semi-Constructed type, located on the 10th Floor. The agreed price was Rs. 67,56,500/-, which was inclusive of the rate of the apartment, car parking, amenities, corpus fund, and maintenance charges. It was stated that the Complainant had voluntarily entered into a Memorandum of Understanding (MOU), a copy of which the Complainant himself had annexed to the complaint. The said MOU clearly mentioned that the Complainant had invested an amount of Rs. 67,56,500/-, out of which an amount of Rs. 17,00,000/- had been paid from the total sale consideration.

12. It was further submitted that the Complainant had subsequently communicated the withdrawal of his investment amount from the blocked Flat No. 1006 through email. The Respondent averred that this was communicated to resolve the issue, noting the low trend in the real estate market which had impacted downstream sales. It was argued that due to very tight financial conditions, the current budget was strictly allocated only for the progress of construction work, and a refund would have an adverse impact on the budget planned for completing the project's civil works. The current position of the project, along with pictures, was enclosed with the affidavit.

13. The Respondent asserted its readiness to refund the amount paid by the Complainant, subject to the deduction of cancellation charges, which entailed forfeiting a reasonable amount. It was brought to the notice of the Hon'ble Authority that the Complainant voluntarily cancelled the booking, citing "slow progress" as the reason. The Respondent contended that there was no default by the builder, and therefore, the Complainant was not entitled to any interest on the refunded amount. It was alleged that the present complaint was filed solely with the intent to evade the cancellation charges that were otherwise permissible under law and under RERA. It was stated that the cancellation charges were duly conveyed to the Complainant, who refused to accept the same and instead approached the Authority with false allegations of slow progress. The Respondent maintained that the cancellation was entirely voluntary and at the behest of the Complainant, arguing that a full refund would only be applicable if the project was discontinued, stopped, or faced statutory issues, none of which applied in the present case.

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14. Addressing the specific terms of the agreement, the Respondent relied upon the clause regarding "Cancellation by the Second Party" (the Complainant), submitted under Point No. 5 (Possession of the Apartment) and Clause 5.4 (Cancellation by Allottees). It was pointed out that the clause stated the Second Party had the right to cancel or withdraw his allotment in the project only as provided in the MOU. It further stipulated that where the Second Party proposed to cancel or withdraw from the project without any fault of the First Party/Developer, the Developer was entitled to forfeit 15% on the paid amount, and the balance money paid was to be refunded by the Developer within three months of such cancellation.

15. Furthermore, the Respondent highlighted the "Refund Policy" clause, which stipulated that: (a) in case the Second Party cancelled the booking, the company would deduct 15% of the total sale consideration and refund the remaining amount as per company norms; (b) the First Party would refund the amount in 3 months (90 Days) from the date of cancellation, carrying forward according to company norms; and (c) in case any issues occurred in the project, the company would refund the total amount or adjust the same to another project as per client approval.

16. It was submitted that if the Complainant was willing to forego the cancellation charges (accepting the deductions), the balance amount could be settled in accordance with the agreed terms and conditions, while strictly adhering to applicable rules and regulations. Providing an update on the construction status, the Respondent submitted that approximately 40% of the structural work for Tower 1 and 90% for Tower 2 had been completed. It was emphasized that at this stage, every rupee was crucial for progressing the project to its next phase of completion. As per the RERA registration, the project completion date was scheduled for January 2028. It was asserted that the business operations of the Respondent were ongoing, not concluded or terminated, and the timeline to complete the project was being closely monitored and well-planned to ensure timely completion within the prescribed deadline. Thus, it was argued that the Complainant's claim of "slow progress" was merely a pretext to force a full refund without deduction.

17. In view of the facts and circumstances stated above, the Respondent most humbly prayed that the Hon'ble Authority be pleased to dismiss the present complaint as being devoid of merit, in the interest of justice, equity, and fair play, and to pass such other order or orders as deemed fit and proper in the facts and circumstances of the case.

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D. Rejoinder filed by Complainant

18. A Rejoinder Affidavit was filed by the Complainant, Sri Konada V P T Reddy, aged about 45 years, residing at D603, Aparna Silver Oaks, Aparna Hill Park, Chandanagar, Hyderabad, against the Respondent, M/s. Sri Aditya Square / R Srikanth Reddy. The Complainant solemnly affirmed and outlined the circumstances that compelled his withdrawal from the project, detailing the coercive strategies and deceptive practices employed by the Respondent firm and its executives.

19. It was submitted that the Complainant was forced to withdraw due to a coercion strategy adopted by the Respondent firm and its executives, specifically named as Ghouse and Vishnu. It was averred that these executives initially forced the Complainant to take a housing loan from Bajaj Housing Ltd, a financial institution in which the Complainant had never shown any interest. Instead, the Complainant expressed his desire to process his loan exclusively through a nationalized bank, namely the State Bank of India (SBI), and accordingly requested the executives to provide the link documents of the project.

20. It was alleged that in response to this request, the executive named Ghouse blatantly lied to the Complainant, issuing an ultimatum to either take the loan from Bajaj Housing or withdraw from the project immediately. Furthermore, Ghouse falsely stated that SBI would not provide a loan for the said project due to existing legal issues. To substantiate these claims of deceit, the Complainant relied upon WhatsApp and email conversations attached to the rejoinder. The Complainant specifically requested the Authority to summon the said employee, Ghouse, for the subsequent hearing scheduled on April 7, 2026, alleging that he was the individual who cheated the Complainant by providing false information, was currently acting innocent, and deserved to be arrested and severely punished for his crimes.

21. Detailing the subsequent events, it was submitted that after multiple follow-ups and having exhausted all communication attempts, the Complainant personally visited the office located at the ORNATE site in Patancheru. During this visit, Ghouse insisted that the Complainant withdraw, citing the Complainant's refusal to take the Bajaj Housing loan and the Respondent's refusal to provide the necessary link documents for the SBI loan processing.

22. The Complainant further averred that the withdrawal was additionally justified because the project had not been completed as per the terms of the Memorandum of Understanding (MOU) duly submitted by the Complainant. It was pointed out that under Point No. 5, Clause 5.1 regarding the Possession of the Apartment, the possession was scheduled to be handed over

on or before January 4, 2024. This timeline was calculated from the date of the HMDA approval (two and a half years plus a six-month grace period). The Complainant referenced the land use information issued by HMDA Permit No. 048086/ZOC/R1/U6/HMDA/06082021, dated April 28, 2022, in the name of M/s Sri Aditya Squares (ORNATE-1). It was emphasized that the MOU explicitly stipulated that if the project was not completed prior to May 2024, the promoter/developer agreed to pay the allottees per month according to RERA norms until the project was successfully handed over.

23. In addition to the delayed possession, it was submitted that the executive, Ghouse, had explicitly promised that the Complainant was eligible for an interest component of 87 paise per month from the date the MOU was signed. This commitment was supported by WhatsApp conversation screenshots dated February 4, 2025, placed on record by the Complainant.

24. It was stated that after receiving this confirmation from Ghouse, the Complainant sent a formal email on February 10, 2025, cancelling his allotment. In the said email, the Complainant cited his refusal to do business with Bajaj Housing and his concerns regarding the project timelines as the primary reasons for cancellation. He explicitly requested a refund of Rs. 17 Lakhs, which he had paid in May 2022, along with the promised 87 paise per month interest component on the principal amount.

25. The Complainant submitted that the Builder responded via email on February 11, 2025, agreeing to initiate the refund process after 120 days from the date of the refund request mail (i.e., by June 10, 2025). The Complainant highlighted that this 120-day timeline was a total deviation from the MOU, which mandated a 90-day period. It was averred that after exhausting all follow-up attempts until June 21, 2025, without receiving any further communication or the promised refund, the Complainant was constrained to bring the matter to the notice of the RERA Authority.

26. The Complainant vehemently contested the Builder's subsequent defenses. It was alleged that the Builder was improperly introducing new RERA dates mentioning the year 2028, which were completely contrary to the signed MOU. The Complainant asserted that had any date in 2028 been mentioned in the MOU regarding project delivery, he would never have executed the agreement. It was argued that the Builder was fabricating these new dates simply to avoid processing the payment.

27. Furthermore, the Complainant challenged the Builder's reliance on Clause 5.4 (Cancellation by Allottees) to justify a 15 percent deduction from the paid amount, terming this

deduction as totally unjustified and cruel. It was submitted that the Builder had never been transparent and was constantly finding ways to evade the refund, unfairly blaming a market downtrend for their own failure to complete the project as stipulated in the MOU. The Complainant also objected to the Builder's insistence that he forego the interest component that was expressly promised in the MOU.

28. It was averred that the Builder and their executives should not be allowed to walk free after deceiving customers through such wrongful practices. The Complainant reiterated that he had not received any form of communication since the Builder's email on February 11, 2025, despite sending multiple emails seeking updates.

29. Consequently, the Complainant requested that the Builder consider his initial refund request, including the interest component calculated up to the present date, immediately. The Complainant stated that he could not wait for an additional 90 days as mentioned in the Counter filed by the Respondent, noting that he had already waited for more than a year for a refund that was formally accepted by the Builder on February 11, 2025.

30. In conclusion, it was most respectfully prayed that the Hon'ble Court be pleased to take the rejoinder affidavit on record and pass any other order deemed fit in the interest of justice. The Complainant reiterated his specific prayer to summon Ghouse for cheating a customer with false information, urging that he be punished severely for causing profound agony and trauma to the Complainant.

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E. Point(s) for Consideration

31. Based on the facts and circumstances placed before this Authority, the following questions arise for adjudication:

I. Whether the Complainants are entitled to relief(s) sought?

F. Observations of the Authority

32. Under the MOU dated 17.06.2022, the Complainant booked Flat No. 1006, Tower 1, “ORNATE,” for a total sale consideration of Rs. 67,56,500/-, and paid Rs. 17,00,000/- towards the same. As per Clause 5.1 of the MOU, possession was to be handed over within 2.5 years, with a further grace period of 6 months, i.e., a total period of 3 years from the date of the MOU. The promised date of possession accordingly stood at 17.06.2025. It is an admitted position

that possession has not been handed over till date, and that as of the filing of the Counter, the project had reached only 40% completion in Tower 1.

33. It is further on record that the Complainant sought withdrawal from the project and refund of the amount paid vide email dated 10.02.2025, to which the Respondent itself responded on 11.02.2025 agreeing to process the refund. Despite this acceptance, the Respondent has failed to refund the amount to date.

34. Section 18(1) of the RE (R&D) Act, 2016 entitles an allottee to withdraw from a project and seek refund of the amount paid, with interest, where the promoter fails to complete the project or give possession in accordance with the agreement. The Respondent's defence that the cancellation was "voluntary" and attracts a 15% deduction under Clause 5.4 of the MOU is untenable, as the Respondent has itself admitted that possession was not delivered by the promised date of 17.06.2025, and had, in any event, already accepted the Complainant's cancellation and agreed to refund the amount. A promoter who has failed to deliver possession by the agreed date cannot invoke a voluntary-cancellation clause to deduct charges that apply only where the allottee withdraws without any default on the part of the promoter.

35. Accordingly, the Complainant is entitled to a refund of Rs. 17,00,000/- along with interest at 10.85% per annum (SBI MCLR of 8.85% + 2%, as prescribed under Rule 15 of the Telangana RE(R&D) Rules, 2017), calculated from 17.06.2022, the date of payment, till the date of actual refund, under Section 18(1) of the RE (R&D) Act, 2016. Point II is answered accordingly.

G. Directions of Authority

36. In exercise of powers under Sections 37 and 38 of the RE (R&D) Act, 2016, this Authority directs:

i. The Respondent, M/s Sri Aditya Squares, represented by its Managing Partners, Sri N. Srinivasa Babu and Sri R. Srikanth Reddy, is directed to refund the entire amount of Rs. 17,00,000/- (Rupees Seventeen Lakhs Only) to the Complainant, Sri Konda VPT Reddy, along with interest at the rate of 10.85% per annum, being the State Bank of India's Marginal Cost of Lending Rate of 8.85% plus 2%, as prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, from the date of payment, until the date of actual refund, in accordance with Section 18(1) of the RE (R&D) Act, 2016, within a period of 60 (sixty) days from the date of receipt of this Order.

ii. Failing to comply with the direction above shall attract penal action against the Respondent in accordance with Section 63 of the RE (R&D) Act, 2016.

37. The complaint is disposed of accordingly. No order as to costs.

Sd/-
Sri K. Srinivasa Rao,
Hon'ble Member,
TG RERA

Sd/-
Sri Laxmi Narayana Jannu,
Hon'ble Member,
TG RERA

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