

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 429 of 2025

22nd June, 2026

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

Kolimala Rupa Chandrika

*(D.No. 36-92-239/1/2, Srinivasa Nagar, Kancharapalem,
Visakhapatnam, Andhra Pradesh - 530008)*

... Complainant

Versus

M/s. Jayathri Infrastructure India Pvt Ltd

*(Represented by Kakarla Srinivas
Flat No. 101, 1-58/A & 1-58, Bearthcon Future Plaza,
Madinaguda, Opp. Oriental Bank, Miyapur, Serilingampalle,
Rangareddy District, Telangana)*

... Respondent

The present matter filed by the Complainant herein came up for final hearing before this Authority wherein the Complainant appeared in person. Despite service of notice, the Respondent failed to appear, and as such, was set *ex parte*, and after hearing the Complainant, this Authority passes 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 "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") seeking appropriate relief(s) against the Respondent.

A. The Brief facts of the case:

3. The Complainant submits that, she entered into a MOU dated 04.06.2021 with the Respondent for the purchase of commercial space of 200 Sq. Ft bearing office No. 6/H in 2nd floor of commercial complex, named as "Western Galaxy" Gopanpally Village, Serilingampally Mandal, Ranga Reddy District. The Complainant has paid the total sale consideration amount of Rs.11,00,000/- to the Respondent on different dates, as shown hereunder:

Amount paid (as per MOU)	Date
1,00,000(UPI)	05.02.2021
7,00,000(Cash)	03.06.2021
3,00,000(UPI)	03.06.2021

4. The Respondent represented and assured the Complainant that a fully constructed commercial space would be handed over by December 2024. It was expressly stipulated in the MOU that, in the event of delay in handing over possession, the Respondent would compensate the Complainant at the rate of Rs.50/- per square foot per month until the actual delivery of possession. However, despite the contractual obligations and assurances undertaken by the Respondent, the project remains incomplete, and possession of the scheduled property has not been delivered within the stipulated timeframe. The failure of the Respondent to honour its commitments constitutes a violation of the provisions of the Real Estate (Regulation and Development) Act, 2016.

5. Further, when the Complainant attempted to personally approach the builder, it was found that the office of the Respondent, was closed and there was no operational presence of the company at the premises. Repeated attempts made by the Complainant to contact the Respondent through the phone number provided by them also proved futile, as the said contact number was found to be non-functional/inactive.

B. Relief Sought:

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

- a. *To direct the Respondent to refund the amount of Rs.11,00,000/- paid by the Complainant, along with interest @ 11% per annum, on account of the Respondent's failure to fulfil its contractual obligations and hand over possession of the commercial space within the stipulated period.*

C. Points for Consideration:

- I. Whether the Respondent has violated Section 3 of the Real Estate (Regulation and Development) Act, 2016?
- II. Whether the Complainant is entitled to the relief sought?

D. Observations of the Authority:

Point I:

7. This Authority notes that over 20 similar complaints have been filed against the same Respondent concerning the same project "Western Galaxy". In the order dated 12.08.2024 in

Complaint No. 1037/2023 and batch, it was observed that the Respondent's counsel submitted that due to non-compliance with the Agreement of Sale entered into with Sri M. Laxmi Kanthai and Sri V. Gowrith on 25.03.2021, a portion of the project land is under litigation before the Hon'ble Supreme Court, thereby preventing the commencement of the project. Consequently, the said project has not been registered under RERA. In Complaint No. 1037 of 2023 & batch matters, this Authority directed an inspection of the concerned project site through the Engineering Staff College of India (ESCI) vide Letter No. 1458/2023/TSRERA dated 10.10.2023. As per the ESCI report (ESCI/PD/TSRERA/07/2023-24) dated 01.12.2023, the project site remains vacant with no progress. There is no evidence to establish the Respondent's ownership or legal authority to undertake the project.

8. Further, **this Authority has previously imposed a penalty of Rs. 36,70,000/- for contravening Section 3 of the RE(R&D) Act, 2016** on the Respondent in Complaint No. 1037 of 2023 & batch matters, dated 12.08.2024. Since the penalty has already been imposed in the aforementioned order in respect of the same project, this Authority does not find it necessary to impose an additional penalty under Section 3 of the RE (R&D) Act. Therefore, point I is answered accordingly.

Point II:

9. The Complainant seeks a refund of the amount paid by him. The Respondent has failed to fulfil its contractual obligations. Section 18(1) of the RE (R&D) Act, 2016 provides that if a promoter fails to complete or is unable to give possession of an apartment or commercial space as per the terms of the Memorandum of Understanding dated 04.06.2021, the allottee has an unqualified right to seek a refund of the paid amount along with interest.

10. The provision for refund with interest applies when the promoter fails to complete the project and the allottee wishes to withdraw. The allottee is entitled to interest to safeguard his interests if the promoter fails to perform his obligations and is unable to hand over possession.

11. 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."

12. Similarly, in **Civil Appeal Nos. 6745-6749 of 2021, M/s Newtech Promoters and Developers Private Limited vs. State of UP & Others**, the Hon'ble Supreme Court observed:

"Section 18(1) of the Act spells out the consequences if the promoter fails to complete or is unable to give possession of a 9 of 10 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."

13. Based on the material available on record, the averments made by the Complainant, and the history of the Respondent's violations, it is evident that the Respondent has kept several complainants on hold for years by making false assurances regarding the registration of commercial spaces in his names. It is pertinent to note that Respondent has consistently violated the RE(R&D) Act by misleading the public in multiple projects, thereby demonstrating mala fide intent.

14. Accordingly, considering the aforementioned case laws and the provision of Section 18 of the RE(R&D) Act, this Authority is of the opinion that the Complainant, having invested a substantial sum in anticipation of acquiring the allotted commercial space, has been wrongfully deprived of his rights due to the Respondent's absolute failure to execute the project. Consequently, the Complainant is entitled to the relief sought, which includes a full refund of the amount paid along with applicable interest.

15. The said interest shall be paid in accordance with Rule 15 of the TG RE (R&D) Rules, 2017 i.e. Current Highest marginal cost of State Bank of India plus 2% which cumulatively amounts to 8.70% + 2% that is 10.70% per annum, calculated from the date of the said Memorandum of Understanding (MOU) entered into with the Complainant until the date of actual realization.

E. Directions of the Authority:

16. 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:

- a. The Respondent is directed to refund the entire amount paid by the complainant for the commercial spaces/unit in the project "Western Galaxy" as mentioned above, along with interest of 10.70% per annum (Current SBI MCLR 8.70% + 2%) from the date of the said Memorandum of Understanding (MOU) entered into with Complainant, until the date of actual realization.
- b. The refund of the entire amount shall be paid by the Respondent to the Complainant within a period of 45 days from the date of this Order.

17. In the view of the above findings and directions, the present complaint stands disposed of. The parties shall bear his own costs. The parties are hereby informed that failure to comply with this Order shall attract Section 63 of the RE (R&D) Act, 2016.

Sd/-

**Sri. K. Srinivasa Rao,
Hon'ble Member**

TG RERA

Sd/-

**Sri. Laxmi Narayana Jannu,
Hon'ble Member**

TG RERA