

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 501 of 2025

Dated: 31st January 2026

**Quorum: Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson
Sri K. Srinivasa Rao, Hon'ble Member
Sri Laxmi Narayana Jannu, Hon'ble Member**

Katchala Nanaji, S/o Appalanaidu

(Flat 401, Gamma Building, IIT Bhilai, Durg, Chattisgarh-491002)

...Complainant

Versus

M/s Srinandhan Infra Developers Private Limited,

Rep by its Managing Director, .T. Vijayalakshmi, w/o T. Ganesh,
*(Unit D, 4th Floor, Spaces & More Business Park Kavuri Hills, Phase-1,
Guttala Begumpet, Madhapur, Hyderabad, Telangana, India - 500033.)*

...Respondent

The present matter filed by the Complainant herein came up for hearing before this Authority in the presence of the Complainant in person, and none appeared on behalf of the Respondents despite service of notice; hence set ex parte and upon hearing the submissions of the Complainant, 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.
3. The Complainant submitted that in or around March 2023, the Respondent, namely M/s. Srinandhan Infra Developers, acting through its agent Mrs. Sasirekha, approached the Complainant and induced him to invest in a project styled as "Supreme City", stated to be a DTCP-approved layout situated at Polepally.
4. It is submitted that the Respondent represented to the Complainant, through brochures and advertisements, that as part of a pre-launch offer, residential plots were being offered at the

rate of Rs. 3,999/- per square yard under a full-payment option. Upon enquiry by the Complainant regarding statutory approvals, the Respondent assured that the DTCP approval process was underway and that approvals would be obtained within a period of two months, following which development activities would commence. The Respondent further represented that upon completion of development, the plots would command a market value of Rs. 10,000/- per square yard.

5. The Complainant further submitted that, based on the aforesaid representations and assurances, and upon the Respondent confirming the same through a Memorandum of Understanding (MoU), wherein it was stated that the Respondent would buy back the land at Rs. 10,000/- per square yard within six months of development and the Complainant agreed to purchase an extent of 1500 square yards for a total consideration of Rs. 60,00,000/- (Rupees Sixty Lakhs only). The Respondent also promised to execute registration of the said plots upon receipt of full payment.

6. The Complainant submitted that he paid the entire sale consideration of Rs. 60 lakhs, sourced from his personal savings and borrowed funds, and that the said payments are supported by payment receipts, cheques, and the MoU evidencing the transaction. However, despite repeated requests and follow-ups, the Respondent neither executed the sale deeds nor refunded the amount paid by the Complainant till date.

7. The Complainant further submitted that he subsequently came to know that the Respondent has ceased its business operations, is evading its customers, and does not possess the necessary approvals under the Real Estate (Regulation and Development) Act, 2016, to lawfully carry on real estate development activities. It is further alleged that even as on date, whenever the Complainant enquires about refund of the amount, the Managing Director of the Respondent company continues to give false assurances.

8. The Complainant further alleged that the Respondent has relocated both its office premises and residential address, thereby making it even more difficult to trace or contact them, resulting in continued hardship and financial loss to the Complainant.

B. Relief(s) sought:

9. Accordingly, the Complainant sought the following reliefs:

- I. Direct the Respondent to refund the total sale consideration amount of Rs. 60,00,000 (Rupees Sixty lakhs only) along with compound interest from the date of sale agreement as per norms
- II. Take stringent action on the company and the people as per the RERA norms for doing sales of projects without any approval
- III. Legal criminal action on the company M/s Srinandhan Infra Developers and the people involved.

C. Points to be determined:

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

I. Whether the Respondent violated Section 3 of the RE(R&D) Act, 2016 by advertising, marketing, and offering for sale the “Supreme City” project without obtaining registration with the Authority?

II. Whether the Complainant is entitled to the reliefs sought?

D. Observations of the Authority:

11. Before further adjudicating on the matter, this Authority takes due note of the repeated non-compliance by the Respondents, who have failed to appear before this Authority despite service of multiple notices and affording sufficient opportunities. In view of their continued absence, the Respondents are hereby set ex parte on 12.11.2025, and the matter is being adjudicated based on the pleadings, documents, and submissions placed on record by the Complainant.

POINT I

12. Upon careful perusal of the documents placed on record by the Complainant, it is observed that the Respondent promoted a real estate project under the name and style of “Supreme City”, described as a DTCP proposed layout, situated at Polepally SEZ, and proceeded to market and sell plots in the said project.

13. It is further evident from the material available on record that the Respondents undertook the promotion and sale of plots in the subject project without obtaining registration under Section 3 of the Real Estate (Regulation and Development) Act, 2016, as mandatorily required under law. From a careful perusal of the pleadings and the Memoranda of

Understanding executed between the parties, it is established that the Respondents actively marketed and advertised the project across various platforms and proceeded to sell plots to the Complainants under the guise of a “pre-launch” scheme, despite the absence of a valid project registration. Such acts clearly demonstrate deliberate non-compliance with the statutory mandate of the Act.

14. In the present matter, the Complainant has submitted a copy of the Memorandum of Understanding dated 21.04.2023, which confirms that the Respondent collected a sum of Rs. 60,00,000/- to sell a proposed plot with an area of 1500 sq. yards in the Supreme City project and the said Memorandum of Understanding were entered into prior to obtaining RERA registration, and the land in question exceeds the threshold of 500 sq. meters as specified under Section 3(2)(a) of the RE(R&D) Act, 2016, which mandates registration with the Authority.

15. Therefore, as Section 3 mandates registration prior to offering for sale of any units in a project that falls well within the jurisdiction of the Authority, but the Respondent, admittedly and apparently, violated such provision by entering Memorandum of Understanding dated 21.04.2023 with the Complainant herein, the Respondent is liable for a penalty under Section 59 of the Act, 2016. Further, as the Respondent has not filed any application for registration under Section 4, he is liable to a penalty under Section 60 of the Act, 2016.

16. Further, Section 4 mandates that an application for registration has to be filed by the promoter in such form and manner as prescribed, but no such application was filed by the Respondent, thereby failing to comply with Section 4 of the Act, 2016.

17. This Authority issued a Show Cause Notice to the Respondent under Sections 3 & 4 of the Act, 2016, of which the Respondent failed to provide any reply.

18. Accordingly, Point I is answered in the affirmative. The Respondents are held to have committed a clear and deliberate violation of Sections 3 and 4 of the RE(R&D) Act, 2016 by marketing and selling plots in an unregistered project without obtaining necessary statutory approvals and registration from this Authority and are therefore liable to be penalised under Section 59 of the RE(R&D) Act, 2016.

19. Therefore, the Secretary of TGRERA is to be directed to initiate steps against the Respondents under section 59 of the RE(R&D) Act, 2016.

20. Having answered Point No. I in the affirmative, this Authority deems it necessary to record additional observations concerning the overall conduct of the Respondent, which has a direct bearing on the regulatory objectives of the Real Estate (Regulation and Development) Act, 2016 and the protection of public interest.

21. This Authority takes serious and adverse note of the repeated, deliberate, and systemic non-compliance exhibited by the Respondent. The violations established in the present proceedings are not isolated or inadvertent in nature but form part of a continuing pattern of conduct extending across multiple projects promoted, facilitated, or controlled by the Respondent.

22. The records of this Authority, read in conjunction with the material placed on record including promotional content and video advertisements circulated through social media platforms, reveal that the Respondent has been actively advertising, marketing, booking, and selling plots in multiple projects including “Supreme City” situated at Polepally, open plot developments at Polepally and Jadcherla, premium flat developments at Kompally, and the project styled as “Royal Serenity” at Polepally SEZ, among other similarly placed projects attributable to the Respondent, without obtaining registration under the before this Authority. Such repeated conduct discloses a calculated and deliberate disregard for the statutory framework governing real estate development.

23. The violations committed by the Respondent include, inter alia:

- a) undertaking real estate development and promotion without registering projects with this Authority, in contravention of Section 3 of the Act;
- b) advertising, marketing, and soliciting bookings in unregistered projects, thereby misleading prospective purchasers;
- c) collecting substantial sums of money from allottees without executing legally valid and registered agreements of sale; and
- d) mobilising funds from the public in connection with real estate projects without possessing lawful approvals, registered development rights, or regulatory authorisation.

24. Further, this Authority observes that the Respondent has adopted a practice of portraying such collections as “investment” or “land-linked return” arrangements, offering assured and unrealistic returns within short timeframes. These representations were widely disseminated through advertisements and promotional material and were clearly intended to

induce unsuspecting members of the public to part with their money in relation to unregistered real estate projects.

25. The so-called investment arrangements were not supported by registered projects, lawful title, statutory approvals, or enforceable development rights. Such conduct constitutes a deceptive and colourable mechanism for mobilising public funds in connection with real estate activities, deliberately structured to circumvent statutory safeguards and evade regulatory oversight under the Real Estate (Regulation and Development) Act, 2016.

26. This Authority is of the considered view that the aforesaid conduct of the Respondent reflects a systematic and pre-planned modus operandi, evidencing unfair trade practice, deliberate misrepresentation, and regulatory malpractice, which aggravates the violations already established under the Real Estate (Regulation and Development) Act, 2016.

27. Compounding the above, the Respondent has exhibited persistent recalcitrance and disregard for this Authority's directions. Despite due service of notices and repeated opportunities, the Respondent has failed to appear, file replies, or offer any explanation. Such conduct demonstrates wilful evasion of regulatory scrutiny and undermines the efficacy and integrity of the regulatory mechanism established under the RE(R&D) Act 2016.

28. In view of the repeated, grave, and wilful violations recorded hereinabove, and in exercise of the powers conferred upon this Authority under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, this Authority is satisfied that preventive and prohibitory directions are necessary in the larger public interest to ensure compliance with the RE(R&D) Act and to protect prospective allottees from further prejudice.

29. Accordingly, until the Respondent demonstrates full compliance with the provisions of the Real Estate (Regulation and Development) Act, 2016, to the satisfaction of this Authority, the Respondent, i.e., M/s. Srinandhan Infra Developers Private Limited, along with its directors, partners, and entities acting in concert, is hereby restrained from advertising, marketing, booking, selling, or offering for sale any new real estate project within the jurisdiction of this Authority. This restraint shall operate as a regulatory measure and shall not preclude the Respondent from seeking appropriate relief upon establishing compliance in accordance with law.

30. A copy of this Order shall be communicated to all other State Real Estate Regulatory Authorities and to the concerned local planning authorities and competent authorities, for information and for ensuring coordinated regulatory oversight in accordance with law.

POINT II

31. The Authority, upon perusal of the documents placed on record, observes that the Respondents have neither obtained HMDA/DTCP approvals nor commenced any development activity on the said land. In these circumstances, the Respondents have unequivocally failed to perform their obligations under both the contractual arrangement and the statutory framework

32. The provisions of the RE(R&D) Act, 2016, read with the TG RE(R&D) Rules, 2017, are very clear when it comes to the refund of amounts. Section 18 of RE(R&D) Act 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 or due to discontinuance of his business as a developer on account of suspension or revocation of the registration under the said Act or for any other reason, he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest in accordance with the TG RE(R&D) Rules. In the facts and circumstances of the present case, it is abundantly clear that on account of the Respondents' failure to start the project, the Complainant sought for refund of amounts along with interest in accordance with the provision stipulated above. Therefore, the Complainant is liable for a refund along with interest in accordance with law. Therefore, the Respondents ought to pay interest on the refunded amounts to the Complainant.

33. In light of the above foregoing observations, this Authority notes that the Complainant is entitled for relief as mentioned in the main complaint under Section 18(1)(a) of the Real Estate (Regulation and Development) Act, 2016, which reads as follows:

(1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building,

(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or

(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason, 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 in this behalf including compensation in the manner as provided under this Act:

34. In the present case, it is evident that the Respondent has not even initiated the project or even applied for any statutory processes required for lawful execution thereof, as contemplated under the provisions of the Real Estate (Regulation and Development) Act, 2016. The continued failure of the Respondent to commence construction, despite the lapse of the committed timelines, constitutes a clear and continuing violation of the statutory obligations cast upon a promoter under the Act. Accordingly, the inaction and default on the part of the Respondent being attributable solely to the promoter, this Authority holds that the Complainant's request to withdraw from the project is justified and legally tenable.

35. Accordingly, the Complainant entitled for Refund of the amount paid by her to the Respondents and also with the interest at the rate prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, i.e., the State Bank of India's Marginal Cost of Lending Rate (MCLR) plus 2% per annum (i.e., 8.70% + 2%), calculated from the respective date of Agreement of sale until the date of actual refund.

36. In view of the above findings, this Authority is of the considered that the Complainant is entitled to the relief sought, refund of the entire sale consideration with interest.

G. Directions of the Authority

37. In accordance with the discussions made above, this Authority, vide its powers under Sections 37 and 38, issues the following directions:

- I. The Respondent is directed to refund Rs. 60,00,000/- (Sixty Lakh) along with interest at the rate of 10.70% per annum (SBI MCLR of 8.70% + 2%) from the date of the Memorandum of Understanding (MoU) dated 21.04.2023 till the date of actual refund in accordance with Rule 15 of the Telangana RE(R&D) Rules, 2017 within 60 (sixty) days from the date of this Order.
- II. In view of the findings under Point I, holding that the Respondents have marketed and sold plots in an unregistered project in contravention of Section 3(1) of the RE(R&D)

Act, this Authority directs the Secretary, TGRERA to initiate steps against the Respondents under Section 59 of the RE (R&D) Act, 2016.

- III. The Respondent/Promoter is hereby declared a “defaulter” for continuous and wilful violation of the provisions of the RE(R&D) Act, 2016. As a result, any developmental activities undertaken by the Respondent, Promoter, stand terminated with immediate effect. The impugned developer is hereby restrained from undertaking any further advertisement, marketing, booking, sale, or offering for sale of any apartment or part thereof in the said project or any other projects in the future, in any manner whatsoever.
- IV. Furthermore, the Secretary, TG RERA, is directed to ensure the name of the Respondent Developer shall be included in the list of defaulters declared by this Authority, and the same, along with the photographs of the Promoters, shall be prominently displayed on the official website of TG RERA for public notice and awareness. communicated to all other State Real Estate Regulatory Authorities, as well as to the local planning authorities and competent authorities, so as to ensure that no future project approvals are granted in favour of the Respondent or its associated entities until compliance is duly verified.
38. Failing to comply with the above-said direction by the Respondent shall attract a penalty in accordance with Section 63 of the RE(R&D) Act, 2016.
39. The complaint stands disposed of in the above terms. There shall be no order as to costs.

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

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

Sd/-
Dr. N. Satyanarayana, IAS (Retd.),
Hon'ble Chairperson
TG RERA