

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Dated: 22nd April 2026

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. 369/2025/TG RERA

Soleti Murali

*H.No: 3-51/1, Muthyampet, Domakonda,
Kamareddy, Telangana, 503123*

...Complainants

AND

M/s Beccun Infrastructure Limited,

*(Rep by Puram Prashanth Kumar (Managing Director) and Ratan Prasad (CEO and
Authorised Signatory), Office at 102, Midel House, Panjagyta, Hyderabad – 500082)*

...Respondents

TGRERA PROJECT REGISTRATION NO: P02200001308

The present matter, filed by the Complainant as mentioned hereinabove, was taken up for hearing on 06.08.2025 before this Authority. The matters were heard in the presence of the Complainants appearing in person and S/Shri B.N. Radhakrishna Yadav, B. Murlidhar Yadav, B. Naveen Kumar and B. Sreelatha, learned counsel appearing on behalf of the Respondent. Upon perusal of the pleadings, documents, and material placed on record, and after hearing the submissions advanced by both parties, the matters having been reserved for consideration, this Authority proceeds to pass the following order

2. The present set of 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 TG RE(R&D) Rules”), seeking appropriate directions and reliefs against the Respondent in respect of the project in question.

A. The brief facts of the case, as stated by the complainant, are as follows:

3. The present Complaint has been filed by the Complainant under Section 31 of the Real Estate (Regulation and Development) Act, 2016, stating that the Respondent is the promoter/developer of a real estate project, and that the Complainant entered into a Memorandum of Understanding dated 17.06.2021 with the Respondent for purchase of a

residential unit, namely Flat No. 04, E-Block, Ground Floor, having a built-up area of 1023 sq. ft., for a total sale consideration of ₹33,21,554/-.

4. It is averred by the Complainant that, in pursuance of the said Memorandum of Understanding, he paid a total sum of ₹16,60,777/- to the Respondent towards part consideration, leaving a balance amount of ₹16,60,777/-. The Complainant states that the said payments were made from time to time as demanded by the Respondent.

5. The Complainant further alleges that despite receipt of a substantial portion of the sale consideration, the Respondent failed to adhere to the agreed timelines and did not make any progress towards handing over possession of the subject flat. It is stated that due to inordinate delay, lack of communication, and failure on the part of the Respondent to fulfil its contractual and statutory obligations, the Complainant expressed his unwillingness to continue with the project and sought refund of the amount paid.

6. According to the Complainant, repeated requests made from January, 2023 onwards for refund of the amount paid were not complied with by the Respondent. The Complainant claims that the Respondent neither refunded the amount nor provided any definite assurance regarding possession of the flat, thereby compelling the Complainant to approach this Authority by filing the present Complaint seeking refund of the amount paid along with interest and other consequential reliefs.

7. The Complaint is thus filed alleging violation of the provisions of the Act by the Respondent and seeking appropriate directions from this Authority.

B. Relief(s) sought:

8. The Complainant has sought the following reliefs:
- i. Refund of the amount of ₹16,60,777/- paid towards the subject flat;
 - ii. Payment of interest on the said amount from the respective dates of payment till refund; and
 - iii. Grant of such other reliefs as this Authority may deem fit in the circumstances of the case.

C. Reply by the respondent:

9. The Respondent has filed a detailed counter denying the averments made in the Complaint and has contended that the same is not maintainable either on facts or in law. It is stated that the Complaint has been filed with an intention to harass the Respondent and to unjustly enrich the Complainant, and therefore is liable to be dismissed in limine.

10. The Respondent submits that the Complainant entered into a Memorandum of Understanding dated 17.06.2021 purely as an investment arrangement and not as a transaction for purchase of a residential unit as an allottee. It is specifically contended that there is no Agreement for Sale executed between the parties and that the Complainant cannot claim the status of an allottee under the provisions of the Real Estate (Regulation and Development) Act, 2016. On this ground, the Respondent asserts that the provisions of the Act, including Section 18, are not applicable to the present case.

11. The Respondent further contends that the Complainant had full knowledge of the terms and conditions of the Memorandum of Understanding and voluntarily entered into the same. It is stated that the Complainant, of his own volition, chose to withdraw from the transaction and sought cancellation, and therefore cannot attribute any delay or default to the Respondent.

12. It is also averred that the Respondent has not committed any deficiency of service or violation of the provisions of the RE(R&D) Act. The Respondent denies its liability to refund the amount claimed or to pay any interest, contending that the claim for refund is contrary to the terms of the Memorandum of Understanding and the understanding between the parties.

13. The Respondent has thus prayed for dismissal of the Complaint, stating that the Complainant is not entitled to any of the reliefs sought, and has reserved its right to file additional pleadings, if necessary.

D. Observations of the Authority:

14. This Authority has carefully considered the pleadings filed by both parties, the submissions made during the course of hearing, and the material placed on record.

15. The foremost contention raised by the Respondent is that the Complainant is merely an investor and not an allottee within the meaning of the RE(R&D) Act, and that the transaction between the parties was governed by a Memorandum of Understanding and not a formal Agreement for Sale, thereby placing it outside the ambit of the Act. This Authority finds no merit whatsoever in this contention.

16. Section 2(d) of the RE(R&D) Act defines an "allottee" in relation to a real estate project as any person to whom a plot, apartment or building has been allotted, sold, or otherwise transferred by the promoter, and includes a person who subsequently acquires such allotment through sale, transfer, or otherwise. The definition is explicitly inclusive and does not restrict allottee status to persons who have executed a formal registered Agreement for Sale. What is material being the existence of a transaction whereby a specific unit has been allotted or agreed to be transferred to a person in consideration of payment towards such allotment. In the present

case, both these ingredients are unambiguously established, a specific flat Flat No. 04, E-Block, Ground Floor was identified and agreed to be sold to the Complainant, and a sum of ₹16,60,777/- was paid and acknowledged by the Respondent towards the sale consideration thereof for the allotment made. The transaction is thus squarely within the scope of the RE(R&D) Act, and the Complainant is entitled to all protections afforded to an allottee thereunder.

17. The Respondent's attempt to characterise the transaction as a mere investment arrangement is neither supported by the documents on record nor by the relevant provisions of law. The Memorandum of Understanding itself identifies a specific residential unit, specifies the built-up area, sets out a total sale consideration, and records payments made towards the same along with the payment receipts. This Authority, therefore, rejects the Respondent's contention on this point.

18. On the merits, this Authority observes that the Respondent has failed to place any material on record to demonstrate that the project was completed, or that construction of E-Block had progressed to a stage where possession of the subject flat could be offered to the Complainant within any reasonable period. The Complainant has stated, and it is not effectively controverted by the Respondent, that there has been no meaningful progress in the project and no certainty with respect to delivery of possession, which circumstances compelled him to seek refund from January 2023 onwards.

19. This Authority, in this context, cannot lose sight of the findings recorded in its earlier detailed order dated 3rd November 2025, passed in the batch complaints bearing Nos. 189/2024, 195/2024, 196/2024, 288/2024, and 311/2024 filed by the Beccun Lifestyle Cultural Association against the same Respondent in respect of the same project. In the said order, this Authority had categorically found and held that construction activity in Blocks A, A Extension, D, and E had not commenced even after more than four years since the allottees' bookings, and that not a single brick had been laid in these blocks. The very flat allotted to the present Complainant is situated in E-Block, which was one of the blocks expressly found in the said order to have had no construction activity whatsoever. This Authority had further recorded that the Respondent had engaged in double sale of units, had sold flats on unsanctioned floors, had failed to file mandatory Quarterly Progress Reports despite show cause notices, had allowed the project registration to lapse without seeking lawful extension, and had attempted to impose unilateral price escalations upon allottees under the guise of force majeure. The Respondent was directed to submit a comprehensive roadmap for project completion, deposit 100% of allottee funds into the RERA-designated project account, establish a Grievance and

Communication Cell, and execute Sale Deeds in favour of entitled allottees. Penalty proceedings under Sections 59, 60, and 61 of the RE(R&D) Act were also directed to be initiated against the Respondent

20. The factual position established by the record in the present complaint is entirely consistent with and corroborated by the findings in the aforesaid batch order. The present Complainant is a purchaser of a unit in E-Block, which, as judicially noticed by this Authority, has seen no construction commencement whatsoever. His repeated requests for refund from January 2023 onwards went unheeded by the Respondent. In these circumstances, this Authority has no hesitation in holding that the Respondent has failed to discharge its obligations under the Memorandum of Understanding and under the RE(R&D) Act, and that the Complainant is fully justified in seeking to withdraw from the project and claim refund of the amounts paid.

21. Under Section 18(1)(a) of the RE(R&D) Act, where a promoter fails to complete or is unable to give possession of an apartment in accordance with the terms of the agreement for sale, or due to discontinuance of its business or for any other reason, the allottee shall be entitled to withdraw from the project. In the event of such withdrawal, the promoter shall be liable, on demand, to return the amount received in respect of that apartment with interest at the prescribed rate from the date of receipt of each payment till the date of actual refund. The right of the Complainant to invoke this provision is clearly established on the facts of the present case, given the complete absence of construction progress in E-Block, the Respondent's persistent failure to communicate or provide any definitive timeline, and the Complainant's sustained attempts to seek refund since January 2023.

22. The Respondent's contention that the Complainant voluntarily chose to withdraw and therefore cannot attribute any delay or default to the Respondent is wholly without merit and is rejected. The Complainant's decision to seek withdrawal from the project was not a voluntary commercial decision unrelated to the Respondent's conduct. It was the direct and proximate consequence of the Respondent's failure to make any meaningful progress in the construction of E-Block, its failure to communicate with the Complainant, and its failure to provide any credible assurance of completion. The law recognises that an allottee who has parted with a substantial portion of sale consideration and is left without any reasonable prospect of receiving possession within any ascertainable timeframe cannot be compelled to remain bound to a project that the promoter has effectively abandoned. The Complainant's decision to withdraw is therefore entirely legitimate and protected under Section 18(1)(a) of the RE(R&D) Act.

23. As regards the applicable rate of interest, Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017 provides that the rate of interest payable by the promoter to the allottee shall be the State Bank of India's prevailing Marginal Cost of Funds Based Lending Rate (MCLR) plus two percent per annum. The applicable rate of interest for the purposes of the present order is accordingly computed at 10.70% per annum (SBI MCLR of 8.70% + 2%). Interest shall be calculated from the respective dates of each payment made by the Complainant till the date of actual refund.

24. In view of the above findings, and having regard to the systemic pattern of defaults and violations by the Respondent in respect of this very project as recorded by this Authority in its order dated 3rd November 2025, this Authority is of the considered view that the present Complainant is fully entitled to the reliefs sought, and that no further indulgence is warranted in favour of the Respondent in the adjudication of this complaint

E. Directions of the Authority:

25. In accordance with the discussions made above, this Authority, vide its powers under Sections 37 and 38 RE(R&D) Act, 2016, issues the following directions to the Respondent:

- i. The Respondent is directed to refund an amount of ₹16,60,777/- (Rupees Sixteen Lakhs Sixty Thousand Seven Hundred Seventy Only) along with interest at the rate of 10.70% per annum (SBI MCLR of 8.70% + 2%) calculated from the respective dates of payment till the date of actual refund. The said refund, together with interest, shall be made within forty-five (45) days from the date of receipt of this order.
- ii. Failing to comply with the above-said direction by the Respondent shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.

26. In view of the above, the present complaint is disposed of. 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