

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

Date: 24th March, 2026

Complaint No. 454 of 2025

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

Narra Srilaxmi

*H.No 2-4-372/1, Road No1, Snehapuri Colony,
Saroornagar, K V Rangareddy, Hyderabad – 500035*

...Complainant

Versus

Kakarla Srinivas

*M/s Jayathri Infrastructre Inida Pvt Ltd
Plot No 140/141, Eminent Plaze,
6th Phase road, KPHB Colony, Kukatpally
Hyderabad - 500081*

...Respondent

The present matter filed by the Complainant mentioned herein above came up for hearing before this Authority in the presence of the Complainant in person, and none for the Respondent 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.

A. Brief Facts of the Case:

3. It is submitted that the Complainant entered into a Memorandum of Understanding dated 06.12.2021 with Sri Kakarla Srinivas, Managing Director of M/s Jayathri Infrastructure India Pvt. Ltd., in respect of a pre-launch offer for allotment of 200 square feet of commercial space proposed to be constructed on land owned by the Respondent bearing Survey No. 36/20,

situated at Gopanapally Village, Serilingampally Mandal, within the limits of GHMC, Ranga Reddy District.

4. As per the said Memorandum of Understanding, the scheduled date for delivery of the said commercial space was December 2024. It is submitted that the Complainant paid a total consideration of ₹11,76,000/- (Rupees Eleven Lakhs Seventy-Six Thousand only) towards the said commercial space, and the entire amount stood paid as on 28.11.2021. The receipt of the said amount was acknowledged by the Respondent in the Memorandum of Understanding.

5. It is submitted that, as per the Memorandum of Understanding, the Respondent was required to pay ₹50/- per square foot per month to the Complainant till delivery of the commercial space, i.e., up to December 2024. It is stated that the Respondent paid the said amount up to July 2022, and that the amount is due from August 2022 onwards.

6. It is submitted that on 27.10.2022, the Complainant submitted a letter seeking cancellation of the Memorandum of Understanding and refund of the amount paid. It is stated that on 14.04.2023, the Respondent agreed to refund the amount within a period of three to six months.

7. It is further submitted that the Respondent executed a sale deed in favour of the Complainant in respect of 02 guntas of agricultural land situated in Survey No. 271/AA6/1/1/1/1/1, located at Ettaravaly Village, Shabad Mandal, Ranga Reddy District, as collateral security.

B. Relief(s) Sought:

8. Accordingly, the Complainant sought the following relief:

- i. *Direct the Respondent–Builder to refund the sum of ₹11,76,000/- (Rupees Eleven Lakhs Seventy-Six Thousand only) to the Complainant, along with interest at the rate of 20% per annum, at the earliest, as the project has not yet been commenced.*

C. Points to be determined:

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

- 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? If so, to what extent?

D. Observations of the Authority:

10. The record clearly indicates that despite due service of notice through registered post and substituted service, the Respondents have failed to appear before this Authority, nor have they filed any written response or made any representation to contest the allegations made by the Complainants. Such persistent non-appearance and failure to respond, despite repeated opportunities afforded, demonstrate a deliberate disregard for the proceedings of this Authority. Therefore, after being satisfied that due process was duly followed and all procedural requirements were complied with, this Authority was constrained to proceed ex parte against the Respondent.

Point I

11. Upon careful consideration of the pleadings and documents placed on record, this Authority observes that the present complaint pertains to a pre-launch offer made by the Respondent in respect of proposed commercial space admeasuring 200 square feet, under a Memorandum of Understanding dated 06.12.2021, in the Project “Western Galaxy” situated at Survey No. 36/20, Gopanapally Village, Serilingampally Mandal, Ranga Reddy District.

8. This Authority notes that multiple complaints of a similar nature have been filed against the same Respondent concerning the very same project. In prior proceedings, the Respondent’s Counsel had 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.

9. This Authority further notes that in Complaint No. 1037 of 2023 & batch matters, this Authority had 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 inspection report submitted by ESCI (ESCI/PD/TSRERA/07/2023- 24) dated 01.12.2023, the project site remains vacant with no progress. There is no material placed on record to establish the Respondent’s ownership or legal authority to undertake the project.

10. This Authority has previously imposed a penalty of ₹36,70,000/- on the Respondent for contravention of Section 3 of the RE (R&D) Act, 2016 in Complaint No. 1037 of 2023 & batch

matters, vide order dated 12.08.2024. Since the violation under Section 3 of the Act in respect of the same project has already been examined and penalized, this Authority does not deem it appropriate to impose an additional penalty under Section 3 of the RE(R&D) Act in the present complaint.

Accordingly, Point No. I is answered in the above terms.

Point II

11. This Authority observes that in the present complaint, the Complainant has sought refund of the amount paid to the Respondent towards the allotment of commercial space admeasuring 200 square feet under a pre-launch offer. It is not in dispute that the Complainant entered into a Memorandum of Understanding dated 06.12.2021 with the Respondent and paid a total consideration of ₹11,76,000/- towards the said commercial space, the receipt of which has been duly acknowledged by the Respondent in the Memorandum of Understanding. The Complainant has also placed on record the relevant payment receipts evidencing the said transaction. As per the terms of the Memorandum of Understanding, the scheduled date for delivery of the said commercial space was stipulated as December 2024.

12. It is evident from the record that the Respondent has failed to fulfil its contractual obligations. The Respondent neither commenced the project nor made any progress towards construction. Section 18(1) of the RE(R&D) Act provides that if a promoter fails to complete or is unable to give possession of an apartment, plot or building in accordance with the terms of the agreement, the allottee has an unqualified right to withdraw from the project and seek refund of the amount paid along with interest.

13. 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 their interests if the promoter fails to perform their obligations and is unable to hand over possession.

14. Reliance is placed on the judgment of the Hon'ble Supreme Court of India in ***Civil Appeal Nos. 3581-3590 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 duly completed by the date specified in the agreement, the Promoter would be liable, on demand, to return the amount

received by him in respect of that apartment if the allottee wishes to withdraw from the Project. Such right of an allottee is specifically made “without prejudice to any other remedy available to him”. The right so given to the allottee is unqualified and if availed, the money deposited by the allottee has to be refunded with interest at such rate as may be prescribed. The proviso to Section 18(1) contemplates a situation where the allottee does not intend to withdraw from the Project. In that case he is entitled to and must be paid interest for every month of delay till the handing over of the possession. It is upto the allottee to proceed either under Section 18(1) or under proviso to Section 18(1).”

15. 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 an apartment, plot or building either in terms of the agreement for sale or to complete the project by the date specified therein or on account of discontinuance of his business as a developer either on account of suspension or revocation of the registration under the Act or for any other reason, the allottee/home buyer holds an unqualified right to seek refund of the amount with interest at such rate as may be prescribed in this behalf.”

16. Based on the materials 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 their favour. It is pertinent to note that M/s Jayathri Infrastructures has consistently violated the RE(R&D) Act by misleading the public in multiple projects, thereby demonstrating mala fide intent.

17. Therefore, considering the aforementioned decisions of the Hon’ble Supreme Court and the provision of Section 18 of the RE (R&D) Act, this Authority is of the considered view that the Complainant, having invested a substantial amount in anticipation of acquiring the allotted commercial space, has been wrongfully deprived of the same due to the Respondent’s failure. Accordingly, the Complainant is entitled to the relief sought, which includes a full refund of the amount paid along with applicable interest.

18. With respect to the rate of interest, the Authority notes that while the Complainant has claimed interest at 20% per annum, the rate of interest payable under the RE(R&D) Act is governed by Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, which links it to the State Bank of India's Marginal Cost of Lending Rate (MCLR) plus 2%. The claim for a higher rate of 20% therefore cannot be accepted. The Complainants shall instead be entitled to interest at the rate prescribed under the RE(R&D) Act and Rules thereunder, calculated from the date of the Memorandum of Understanding entered into with the Complainant, i.e., 06.12.2021 until the date of actual realization.

19. In view of the above, this Authority holds that the Complainant is entitled to the relief sought to the extent indicated herein. The Respondent is directed to refund the entire amount of ₹11,76,000/- paid by the Complainant, along with interest at the rate of State Bank of India's Marginal Cost of Lending Rate (MCLR) plus 2%, calculated from the date of the Memorandum of Understanding, i.e., 06.12.2021 till the date of actual realization.

20. The Complainant shall return and reconvey the collateral land, to the Respondent immediately upon receipt of the refunded amount, inclusive of interest.

Accordingly, Point No. II is answered in the above terms.

E. Directions of the Authority:

21. In exercise of the powers conferred upon this Authority under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, and in furtherance of the findings and conclusions drawn hereinabove, the following directions are hereby issued:

- i. The Respondent is directed to refund the entire amount of ₹11,76,000/- (Rupees Eleven Lakhs Seventy-Six Thousand only) along with interest at the rate of 10.70% per annum (SBI MCLR of 8.70% + 2%) calculated from the date of the Memorandum of Understanding entered into with the Complainant, i.e., 06.12.2021 until the date of actual realization. The said refund together with interest shall be made within thirty (30) days from the date of receipt of this order.
- ii. The complainant shall return and reconvey the collateral land to the Respondent immediately upon receipt of the refunded amount, inclusive of interest.

- iii. 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.
22. 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 Laxmi Narayana Jannu,
Hon'ble Member,
TG RERA

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

