

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 20 of 2025

Dated: 28th July 2025

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

Musunuru Siva Sankara Rao
(H No: 10-100/1, Ramakrishna Nagar colony,
Near Govt. school, Peerzadiguda, Hyderabad-500039)

... Complainant

Versus

M/s. Jayathri Infrastructure India Pvt Ltd
(Rep Kakarla Srinivas, Plot no. 140,141,
Eminent plaza, KPHB Colony, Kukatpally, Hyderabad)

... Respondent

The present matter filed by the Complainant herein came up for final hearing on 17.06.2025 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* vide order dated 17.06.2025, 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 as per allegations/averments contained in the complaint are as follows:

3. The Complainant submitted that, as per the MOU dated 07.02.2021, they paid an amount of Rs. 16,05,000/- to the Respondent as a total sale consideration for a purchase of commercial space in the project of Western Galaxy, total 300 sft, office no: 6/A, in 2nd floor having built up area 1,00,000 square feet together with an undivided share of land admeasuring 4.8 square yards (out of Ac. 4 Acres) in survey no. 36/20, situated at Gopanpally village, Serillingampally Mandal, under GHMC, Serillingampally Circle, Ranga Reddy District.

4. The Complainant has also submitted that, in furtherance of the said purchase transaction, he paid an initial amount of ₹2,00,000/- on 06.02.2021, vide Payment Bill Receipt No. 725, and a further sum of ₹14,05,000/- on 07.02.2021, vide Payment Bill Receipt No. 776, towards the agreed total sale consideration of ₹16,05,000/-.

5. The Complainant submits that, as per the Memorandum of Understanding (MOU), the Respondent undertook to deliver a fully constructed commercial space by December 2024, failing which compensation would be payable in terms of the RE (R & D) Act, 2016. It was agreed that the Respondent would pay rent at the rate of ₹50/- per sq. ft. up to December 2024 and ₹100/- per sq. ft. from January 2025 onwards, with a fresh lease deed to be executed within three months. To secure performance of these obligations, the Respondent agreed to register a 500 sq. yd. plot at Chenvelli as collateral security. Further, the Respondent undertook to pay interest at 2% per month on delayed rent. However, the Respondent failed to hand over possession of the property or comply with the terms of the MOU, thereby incurring liability under the said MOU.

B. Relief Sought:

6. Complainant prays for the following reliefs:

a. Refund of amount Rs. 16,05,000/- (Rupees Sixteen Lakhs Five Thousand only)

b. To pay interest on the invested principal amount.

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 agreement, 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 M/s Jayathri Infrastructures has consistently violated the 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 9.0% + 2% that is 11.0% per annum, calculated from the date of the 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 11.0% per annum (Current SBI MCLR 9.0% + 2%) from the date of the

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 Naryana Jannu,
Hon'ble Member**

TG RERA

Sd/-

**Dr. N. Satyanarayana, IAS (Retd.),
Hon'ble Chairperson**

TG RERA

