THE ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY
AT: VIJAYAWADA

On 16th day of June,2025.

Present: Sri E.Rajasekhara Reddy, Hon'ble Member,
Sri. A.Jagannadha Rao, Hon'ble Member.

Complaint No.: 105/2022

Between:

Doppalapudi Sita Devi,
W/o. Koteswara Rao,
Rep. by her Special Power of Attorney Holder,
Doppalapudi Surendra Mohan,
S/o. Koteswara Rao, Flat No.201,
Sai Sadan Apartments,Balkampet Road,
S.R.Nagar, Hyderabad-500038.

...Complainant

And

M/s. Rama Krishna Housing Private Limited,
Rep. by its Managing Director - K.V.P Anjani Kumar.
Door no.54-15-20, Srinagar colony,
Ring road, Vijayawada.

...Respondent

ORDER

The complaint filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 ("RERA Act") against the Promoter for failure to fulfill contractual obligations and for violating the provisions of the Act and corresponding rules.

The complainant is represented through his counsel Sri. K. Srinivasa Rao and the respondent is represented by its counsel Sri E. Rajesh Babu Advocate.

The case of the complainant is that she entered into an Agreement of Sale dated 22.03.2018 with the Respondent company for the purchase of Unit No. E-1735, located on the 17th Floor of the East Tower in "Ramakrishna Techno Towers," an under-construction commercial project situated in Survey Nos. 89/A2, 90 & 91 of Khaja Grama Panchayat Area, Mangalagiri Mandal, Guntur District, Andhra Pradesh. The said unit, measuring 500 sq.ft., was offered for a total consideration of ₹25,00,000/-, with additional registration expenses of ₹1,75,000/- to be borne by the Complainant.

The Complainant made a total payment of ₹24,58,750/- towards the consideration amount through NEFT/RTGS and cheques. Despite repeated requests and demands, the Respondent failed to execute and register a regular sale deed in favour of the Complainant, thereby failing to fulfill its contractual obligations.

The Complainant alleges that the inaction and delay on the part of the Respondent has caused significant hardship, mental agony, and financial loss, and that such conduct is in contravention of the provisions of the Real Estate (Regulation and Development) Act, 2016 and the A.P. RERA Rules, 2017.

Accordingly, the Complainant prays for refund of the paid amount with applicable interest, compensation for mental agony, and other appropriate reliefs, and also seeks an interim direction restraining the Respondent from alienating or encumbering the subject property during the pendency of the complaint.

The Respondent has filed a counter denying all allegations and claims made by the Complainant unless specifically admitted. The Respondent contends that the Complaint is devoid of merit and liable to be dismissed.

The Respondent states that it has been developing a multi-storied commercial project at Kaza Grama Panchayat Area, Mangalagiri Mandal, Guntur District, and that the project faced unforeseen delays due to several external and uncontrollable factors. These include the 2019 decision of the Government of Andhra Pradesh to shift the capital from Amaravati, which caused regulatory uncertainty and hindered investor confidence; the outbreak of the COVID-19 pandemic and subsequent lockdowns; labor and material shortages; and financial constraints caused by legal proceedings initiated by M/s. Shriram Finance Limited before the NCLT.

The Respondent further submits that it has resolved the said NCLT matter as of August 2024 and has since taken steps to stabilize its finances and resume construction activities. The Respondent claims to have maintained regular communication with customers, including the Complainant, and is committed to completing the project as per the revised timelines.

It is also submitted that the Agreement of Sale contains a force majeure clause, and the delays fall within its ambit. Accordingly, the Complainant's claims for refund, interest, and compensation are stated to be untenable and legally unsustainable.

The Respondent asserts that it is in the process of verifying the payment details provided by the Complainant, and reiterates that possession of the unit can only be handed over upon full payment of the agreed consideration, in accordance with the terms of the Agreement.

The Respondent concludes by emphasizing that it has acted in good faith, in compliance with all applicable laws, and prays for dismissal of the complaint with costs.

Observations:

Upon reviewing the records, this Authority notes that the Complainant has filed the present complaint under Section 31 of the RERA Act and the rules framed thereunder.

Section 18. (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:

Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed.

(2) The promoter shall compensate the allottees in case of any loss caused to him due to defective title of the land, on which the project is being developed or has been developed, in the manner as provided under this Act, and the claim for compensation under this subsection shall not be barred by limitation provided under any law for the time being in force.

(3) If the promoter fails to discharge any other obligations imposed on him under this Act or the rules or regulations made thereunder or in accordance with the terms and conditions of the agreement for sale, he shall be liable to pay such compensation to the allottees, in the manner as provided under this Act.

In the present caser the respondent herein fails to deliver possession within the agreed timeline, therefore the complainant is entitled to withdraw from the project and receive a refund with interest and compensation.

This Authority acknowledges that delays due to the COVID-19 pandemic (Force Majeure) from 23.03.2020 to 25.09.2020 should be exempt from penalty. However, beyond this period, the delay is not justifiable.

As far as the relief claimed by the complainant for payment of compensation is concerned, the appropriate forum for such relief is the Adjudicating Officer. If the parties so desire, they may file a claim petition before the appropriate forum for compensation.

Relief Granted:

In light of the above findings, exercising the powers conferred under Section 37 of the RERA Act, the Authority hereby issues the following directions:

i. The respondent is directed to refund the amount of Rs. 24,58,750/- (Rupees Twenty Four lakhs Fifty Eight Thousand Seven hundred and Fifty) to the complainant within a period of three months from the date of this order.

ii. The respondent is further directed to pay interest @ 11% (SBI MCLR 9% + 2%) p.a, calculated from the date of deposit until realization, excluding the period covered under the RERA-granted exemption for COVID-19.

iii. The respondent shall also pay an amount of ₹10,000/-(Rupees Ten thousand only) towards the legal expenses incurred by the complainant.

iv. In case of non-compliance with this order, additional penalties shall be imposed as per Section 63 of the RERA Act, 2016.

*An appeal lies to the Appellate Tribunal within a period of 60 days from the date of receipt of a copy of the order, as per Section 44 of the Real Estate (Regulation and Development) Act, 2016.

(Typed as per the dictation of the Authority, corrected, and pronounced by the Authority in open court on this 16th day of June, 2025.)

MEMBER

MEMBER