

**THE ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY
AT: VIJAYAWADA**

On 4th day of August, 2025.

CORUM: Sri E.Rajasekhara Reddy, Hon'ble Member,
Sri. U.S.L.N.Kameswara Rao, Hon'ble Member,
Sri. A.Jagannadha Rao, Hon'ble Member.

Complaint No.: 117/2025

Between:

Smt.Kandregula Lakshmi,
W/O K.B.B.Rao,
203 Vaisakhi Royal Apartment 80 Feet Road,
Akkayapalem, Visakhapatnam-530016, AP.

...Complainant

And

Sri. B.Pramod Kumar,
Director, Vishwanadh Avenues PVT LTD,
D.No: 45-58-13, Pent House,
Chandrodaya Towers, Narasimha Nagar,
Visakhapatnam - 530 024.

...Respondent

ORDER

The complaint is filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016, on the ground that the promoter failed to fulfill its promises and thereby failing to perform its obligations.

The complainant booked Flat No. 801 in the project "Vishwanadh V9", registered with AP RERA under Registration No. P03290012112, with Building Permit No. 1086/4425/B/Z4/ART/2021, dated 04.09.2023, situated at Visakhapatnam, promoted by Vishwanadh Avenues (India) Pvt. Ltd., and paid a sum of Rs. 41,39,000/- (Rupees Forty-One Lakhs Thirty-Nine Thousand only) towards the booking amount.

Subsequently, the complainant was compelled to cancel the booking and submitted a written cancellation request on 01.12.2024. It is stated that Sri B. Pramod Kumar, Director of the respondent company, assured that the amount would be refunded within one month; however, this assurance was not honoured.

The complainant further submits that despite repeated follow-ups through phone calls, WhatsApp messages, and a registered letter dated 25.03.2025, the respondent neither refunded the booking amount nor furnished any reply.

The complainant alleges that the failure of the respondent to refund the amount constitutes breach of contractual obligations, deficiency of service, and non-compliance with the principles of fair practice and transparency mandated under the Act. The complainant further submits that the inaction of the promoter has caused severe financial hardship, mental agony, and inconvenience.

Accordingly, the complainant seeks a direction to the respondent promoter to refund the booking amount of Rs. 41,39,000/- with interest at 24% per annum from 01.12.2024 till the date of refund, imposition of penalty under the provisions of the Act for failure to comply with statutory obligations, and compensation for the mental agony and financial loss suffered. An interim prayer is also sought to restrain the respondent from alienating or creating any third-party interest over Flat No. 801 and from diverting the booking amount, pending final adjudication of the complaint.

The respondent has filed a letter dated 23.06.2025 in the present complaint stating that the complainant had booked Flat No. 801 by paying a sum of Rs. 41,39,000/-. It is submitted that the complainant did not adhere to the assured payment schedule and subsequently, due to his own financial constraints, sought cancellation of the booking.

The respondent submits that the cancellation and deviation from the assured financial commitment adversely impacted the financial planning and construction flow of the project, as the funds received from the complainant had already been deployed towards ongoing construction activities for the benefit of other allottees.

The respondent has therefore requested this Authority to grant a period of two months' time to arrange for the refund, stating that the said time is required to resell the cancelled unit and recover the funds necessary for repayment. The respondent has assured that the refund will be processed within the requested period and expressed its commitment to honour its obligations.

The complainant appeared, none appeared for the respondent.

Relevant Provisions:

Sec. 11(4): The promoter shall – (a) be responsible for all obligations, responsibilities, and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots, or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be.

Provided that the responsibility of the promoter, with respect to the structural defect or any other defect for such period as is referred to in sub-section (3) of section 14, shall continue even after the conveyance deed of all the apartments, plots, or buildings, as the case may be, to the allottees is executed.

(b) be responsible for obtaining the completion certificate or the occupancy certificate, or both, as applicable, from the relevant competent authority as per local laws or other laws for the time being in force and making it available to the allottees individually or to the association of allottees, as the case may be.

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 case, the respondent's representative, Sri B. Narendra Kumar, Director, filed a letter requesting this Authority to grant two months' time to arrange for the refund. In view of the request made by the respondent, the matter was posted on 04.08.2025 for compliance. However, no action was taken by the respondent, which was duly informed by the complainant. The complainant further submitted that due to lack of transparency and failure on the part of the respondent to act, he was constrained to submit a cancellation letter on 01.12.2024, requesting refund of the amount paid.

On a perusal of the material available on record, it is not in dispute that the complainant paid a sum of Rs. 41,39,000/- on 01.06.2024 as advance towards purchase of the flat, and the respondent issued a flat confirmation receipt on the same day. Though the respondent received more than 20% of the value of the flat, they failed to execute the agreement of sale as mandated under Section 13 of the Act, thereby failing to perform their statutory obligations. As the respondent failed to perform their obligations, the complainant submitted a cancellation request on 01.12.2024 and sought refund of the amount paid.

In spite of the same, the respondent continued to postpone the refund, and only after filing of the present complaint before this Authority did the respondent file a letter giving an undertaking to refund the amount, while seeking two months' time. However, even thereafter, the respondent failed to comply with their own undertaking and did not refund the amount to the complainant.

On a reading of Section 18 of the Act, it is clear that where the promoter fails to perform his obligations, the allottee has the option to seek refund of the amount paid, along with interest. In the present case, the respondent failed to perform his obligation and did not execute the agreement of sale in favour of the complainant, despite collecting more than 20% of the value of the flat as booking amount. Such failure on the part of the respondent amounts to clear violation of the provisions of the RERA Act, 2016 and the Rules made thereunder.

As far as the claim for compensation under Section 18(3) of the Act is concerned, the instant complaint filed by the promoter, bearing Complaint No. 117 of 2025, is hereby referred to the Adjudicating Officer for adjudication of compensation in terms of Section 71 of the Real Estate (Regulation and Development) Act, 2016.

In exercise of the powers conferred under Section 37 of the Real Estate (Regulation and Development) Act, 2016, this Authority hereby issues the following directions:

- i. Respondent is directed to refund to the complainant the sum of ₹41,39,000/- (Rupees Forty One Lakhs and Thirty Nine Thousand only), along with interest @ 11% per annum (i.e SBI MCLR 9% + 2%), calculated from the respective dates of deposit until the date of realization within 60 days from the date of this order.
- ii. To secure compliance with this order, a charge is created on the project property D.No. 17-109/1, S.No.275, Behind port stadium, Adivivaram Village Ward, ADIVIVARAM, Zone 3- Adarshanagar-P2, Visakhapatnam City, Visakhapatnam District, within the jurisdiction of the Sub-Registrar Office, Gopalapatnam.
- iii. This charge shall remain operative until the entire refund amount along with interest is paid to the complainant in full.
- iv. The Sub-Registrar, Gopalapatnam, is directed to record the aforesaid charge in the relevant registration/revenue records and ensure that no transfer, sale, or alienation of the said property is effected until full compliance with this order.

- v. The respondent is directed to pay a sum of ₹10,000/- (Rupees Ten Thousand only) to the complainant towards litigation expenses.
- vi. In case of failure to comply with this order within the stipulated period, the respondents shall be liable for further action under Section 63 of the Act, including imposition of additional penalties.

*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 4th day of August, 2025.)

Sd/-
Sri. A.Jagannadha Rao
Member

Sd/-
Sri.U.S.L.N.Kameswara Rao
Member

Sd/-
Sri. E.Rajasekhara Reddy
Member

//Forwarded:: By Order//