THE ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY
AT: VIJAYAWADA

On 16th day of June,2025.
CORUM: Sri E.Rajasekhara Reddy, Hon'ble Member,
Sri. A.Jagannadha Rao, Hon'ble Member.

Complaint No. 22/2024

Between:
Bollipaalli Hari Babu,
S/o Gopal Naidu, R/o: 1-51,
Govardhanagiri-Village,
Pichatur Mandal, Chittor (D.T),
A.P-517589.

...Complainant

And

Andhra Pradesh Capital Region Development Authority (APCRDA),
Lenin Centre, Vijayawada, Andhra Pradesh-520002.

...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 did not adhere to the project timelines, thereby failing to perform its obligations.

The complaint filed through his counsel Sri G. Devi Vara Prasad Advocate and the respondent is represented by its authorized officer.

Brief Facts:

The complainant is the allottee of Apartment No. 1203, 12th Floor, Block-F in the "Happy Nest" residential project undertaken by the respondent, the Capital Region Development Authority (CRDA), a statutory authority constituted under Section 4(1) of the Andhra Pradesh Capital Region Development Authority Act, 2014. The said project, along with its Phase-II, is registered with this Authority under Registration Nos. P07090109999 dated 01.11.2018 and P07090109998 dated 01.12.2018 respectively.

Pursuant to the representations and promotional material issued by the CRDA, which promised development of a world-class capital city in Amaravati, the complainant entered into a registered agreement for sale bearing No. 3757/2019 dated 12.04.2019 for purchase of the subject apartment, after paying an initial sum of ₹7,23,512.16. The agreement obligated the CRDA to hand over possession of the apartment by December 2021, as per Clause 2.9 of the agreement.

It is further submitted that this Authority had earlier, in suo motu proceedings initiated under Section 7 of the Act, issued interim directions to the CRDA vide order dated 25.02.2022, noting its failure to meet the timeline. The complainant has relied on a similar order of this Authority dated 24.02.2023, wherein CRDA was directed to pay interest under Rule 16 of the AP RERA Rules, 2017, to other similarly placed allottees of the Happy Nest project.

The complainant prays for a declaration that the respondent has failed to complete the project as per the agreement dated 12.04.2019, for a direction to complete the construction expeditiously, and for payment of interest at the SBI

Prime Lending Rate plus 2% on the amounts paid, from 30.06.2022 till delivery of possession, in line with the said precedent. The complainant reserves liberty to pursue further remedies for compensation and allied reliefs.

The Respondent, vide letter dated 09.03.2025, authorized the Joint Director to represent them before this Authority. In pursuance thereof, the said officer submitted a communication dated 10.03.2025, enclosing a copy of the Notice Inviting Tender (NIT) dated 21.12.2024, for engaging a construction contractor to expedite the completion of the project. It was submitted that this step was taken to ensure timely delivery of the project, address the concerns of allottees, and adhere to prescribed regulatory guidelines.

Subsequently, on the next date of hearing, i.e., 16.06.2025, the authorized representative of the Respondent appeared and filed a memo stating that steps were being actively taken to complete the project and that construction work was in progress.

In view of the steps initiated by the Respondent to fulfil its obligations and based on the assurance given by its authorized representative, this Authority is inclined to dispose of the matter with appropriate directions, taking into consideration the relevant provisions of the Act.

Section 18(1) of the Real Estate (Regulation and Development) Act, 2016 provides that where an allottee does not intend to withdraw from the project, the promoter shall be liable to pay interest for every month of delay till the handing over of possession.

In the present case, it is an admitted fact that the Complainant has paid the consideration amount and the Respondent executed an Agreement for Sale dated 12.04.2019. Although the Respondent had agreed to hand over possession by the end of December 2021, they have failed to do so. However, the Complainant has expressed willingness to continue in the project and seeks only interest for the delayed possession, as contemplated under the proviso to Section 18(1) of the Act.

Relief Granted:

In light of the above findings, and 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. The Respondent is directed to complete the construction and hand over possession of Apartment No. 1203, 3BHK, 12th Floor, Block-F of the *Amaravati Happy Nest* project, to the Complainant at the earliest. The Respondent shall also pay interest at the rate of 11% per annum (SBI MCLR 9% + 2%) for the delay in handing over possession, calculated from January 2022 until the actual date of delivery of possession.

ii. The Respondent is further directed to pay an amount of ₹5,000/- (Rupees Five Thousand only) to the Complainant towards legal expenses incurred.

iii. In the event of non-compliance with this order, this Authority shall proceed to impose additional penalties under Section 63 of the Real Estate (Regulation and Development) Act, 2016.

*An appeal lies to the Real Estate Appellate Tribunal within a period of 60 days from the date of receipt of a copy of this 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