THE ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY
AT: VIJAYAWADA

On 7th day of April,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:40/2025

Between:

P.Victor Soloman,
2-42/a venkatareddy palem kaza,
Kaza Village, mangalagiri Mandal,
Guntur District, Pincode – 522503.

....Complainant

And

1. Venkata Ratna Vijay Jasti,
2. Kishore,
3. N. Srinivas,
4. Ravindra Prasad Bubba ,
5. Mr. Valluri Basavaiah Chowdary ,

All are resident of New Town Survey No.47,
Door no.40-7-6A,Jammi chettu Veedhi,
Moghalrajpuram, 520010,Vijayawada(Urban)(v),
Vijayawada Urban(M),Krishna (D).

...Respondents

ORDER

The complaint filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the Act"), alleging that the promoter has failed to pay the amounts due to the Complainant for the services rendered.

The case of the Complainant is that SV Engineering Consortium Pvt. Ltd. was engaged as a contractor for the construction work of a commercial complex located at Vijayawada, under a project initially promoted by M/s Sahithi Orchids Infra Tech LLP (hereinafter referred to as "the Promoter"). The Promoter subsequently exited from its role and ceased to be involved in the management and completion of the project. Following this, the owners of the property constituted the Subbarda Forte Owners Welfare Association, registered under RERA with registration number P06170014316 (hereinafter referred to as "the Association"), which assumed responsibility for completing the project and addressing related liabilities.

The Complainant alleges that an outstanding amount of ₹1,59,30,065/- remains unpaid for the services rendered. It is contended that the Complainant was assured by the Association that the dues would be settled and was requested to prepare a Memorandum of Understanding (MOU) involving the landowners. The Complainant further alleges that, despite repeated verbal assurances and requests, including for a part-payment of ₹20,00,000, no amount was paid. Instead, the Complainant claims to have been insulted and forcibly removed from the project site by certain members of the Association. It is also alleged that the Complainant's materials remain at the site and that the work has since resumed with other contractors without resolving SVEC's dues or pending unbilled works.

The Complainant seeks a direction for recovery of ₹1,59,30,065/- and an interim order for stoppage of work until the value of the unbilled work is assessed and settled.

The Respondents have filed their counter contending that the complaint is neither maintainable in law nor on facts, and have sought its dismissal in limine.

The Respondents also submit that the Complainant does not fall within the definition of a "person" entitled to file a complaint under Section 31 of the Act. They assert that the Complainant has no privity of contract with any of the Respondents or with the Subbarda Forte Owners Welfare Association. It is their case that the project, after abandonment by the original Promoter, was taken over by the landowners and allottees who entered into a new MOU dated 03.07.2024, registered as Document No. 18439/2024 before the Sub-Registrar, Patamata. The said MOU was also approved by the Joint Director, AP RERA, vide Roc.No.07/NTR DISTRICT/2024, dated 05.07.2024. The Complainant was not a party to the said MOU, and hence, according to the Respondents, lacks the locus standi to raise any claim under it or against the Respondents.

The Respondents deny any liability towards the Complainant and refute all allegations concerning assurances, removal from the site, and detention of materials. They submit that the complaint is misconceived, frivolous, vexatious, and amounts to an abuse of the process of law. They pray for dismissal of the complaint with costs.

Observations:

The preliminary objection raised by the Respondents pertains to the maintainability of the complaint under Section 31 of the Act. On perusal of the record and pleadings, it is evident that the Complainant was a contractor engaged by the erstwhile promoter, M/s Sahithi Orchids Infra Tech LLP, and the complaint is essentially one for recovery of dues for the works carried out under that engagement.

Section 31(1) of the Act reads as follows:

"Any aggrieved person may file a complaint with the Authority or the adjudicating officer, as the case may be, for any violation or contravention of the provisions of this Act or the rules and regulations made thereunder against any promoter, allottee or real estate agent, as the case may be."

A plain reading of the above provision makes it clear that a complaint before this Authority must relate to a violation or contravention of the provisions of the Act or the rules and regulations made thereunder. In the present case, the complaint is primarily for recovery of amounts, and there is no specific allegation of any violation or contravention of the provisions of the Act or the rules against the Respondents.

Therefore, this Authority holds that the complaint is not maintainable under Section 31 of the Act. However, it is clarified that this Order does not preclude the Complainant from approaching an appropriate civil forum for recovery of the alleged dues, if so advised.

In view of the above, the complaint is dismissed as not maintainable under Section 31 of the Real Estate (Regulation and Development) 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 7th day of April, 2025)

MEMBER MEMBER MEMBER