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.: 42/2024

Between:

Nallamilli Venkata Krishna Reddy,
Door No. 4-41., Jatlareddy gari veedhi,
Ramavaram, Anaparthi Mandal.,
East Godavari District.

...Complainant

And

M/S . Hasini Estates and Constructions,
Hasini estates rep by Addala Venkata Varma Raju,
2nd Floor, Block No: 8, Praise Paradise Apartment,
Old Dairy Farm Post Office, Indira Gandhi Nagar,
Adarsh Nagar, Visakhapatnam, Andhra Pradesh-530040.

... Respondents

ORDER

The complaint filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016, on the ground that the promoter failed to fulfill their promises and did not adhere to the project timelines, thereby failing to perform their obligations.

The case of the complainant is that the Complainant, Mr. Nallamilli Venkata Krishna Reddy, is a software professional currently residing in Hyderabad and originally hailing from Ramavaram village, Anaparthi Mandal, East Godavari District. While employed in South Africa, the Complainant intended to invest in immovable property in Andhra Pradesh. During this time, the Complainant was approached online by representatives of M/s Hasini Estates and Constructions, namely Mr. Addala Venkata Varma Raju (Managing Partner) and his associate Mr. Ramana Varma. The said persons introduced themselves as real estate developers operating in and around Visakhapatnam and projected themselves as genuine and trustworthy.

Based on their assurances, the Complainant's family members physically visited and verified two plots bearing Nos. 261 and 262 in a proposed layout located at Tallavalasa Village, Bheemunipatnam Mandal, Visakhapatnam District, falling under the jurisdiction of the Anandapuram Sub-Registrar. The Respondents convinced the Complainant that the said plots were part of an approved or soon-to-be-approved layout under VUDA/RERA and claimed that their value would double within two years.

On the strength of these representations, the Complainant entered into an unregistered agreement of sale dated 29.01.2018 with M/s Hasini Estates and Constructions and paid a total sum of ₹16,00,000/- through various online transfers towards part of the total agreed sale consideration of ₹50,00,000/-. Despite repeated assurances, the Respondents failed to obtain the requisite layout approvals or execute a registered sale deed.

The Complainant continued to correspond personally and through WhatsApp, expressing readiness to complete the transaction upon completion of formalities, but the Respondents neither proceeded with the registration nor refunded the amount paid. Instead, the Respondents adopted an evasive and threatening posture, including issuing verbal threats of false cases and physical harm. It was subsequently discovered that the layout was neither approved by the competent authorities nor registered under RERA, and that the Respondents had alienated the very same plots (Nos. 261 and 262) to third parties after changing the layout plan, thereby violating the Complainant's rights and breaching the agreement.

The Complainant asserts that the Respondents acted with dishonest intent from the inception, misrepresenting material facts and inducing the Complainant into a fraudulent transaction, in violation of Sections 3, 4, and 13 of the RERA Act, 2016. The Complainant further submits that the transaction was conducted without a registered agreement as required under the RERA Act, which renders the conduct of the Respondents not only unethical but also illegal.

Having received no cooperation or refund from the Respondents, and in light of the confirmed alienation of the subject plots, the Complainant has approached this Honourable Authority seeking a refund of ₹16,00,000/- along with 24% interest per annum from the date of payment, compensation for mental agony, and costs of the complaint, among other appropriate reliefs.

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 Complainant entered into an agreement of sale dated 29.01.2018 with the Respondents and paid an amount of ₹16,00,000/- as part payment towards the purchase of Plot Nos. 261 and 262 in the proposed layout. However, despite receiving the said amount, the Respondents have, for the past six years, failed to fulfill their contractual obligations under one pretext or another. Their conduct clearly demonstrates a failure to deliver possession of the plots and execute a registered sale deed in favour of the Complainant, even after having accepted substantial consideration towards the cost of the plots.

The complainant's request for cancellation and refund is justified under Section 18 of the RERA Act, given the failure of the respondents to fulfill their obligations.

In the above circumstances exercising the powers conferred under Section 37 of the Act, the following directions are issued:

i. The respondents are directed to return the amount of Rs. 16,00,000/- (Rupees Sixteen lakhs only) along with interest @ 11% (SBI MCLR 9% + 2%) p.a, calculated from the date of deposit until the date of realization.

ii. The respondents are directed to pay ₹10,000/-(Rupees Ten thousand only) towards the legal expenses incurred by the complainant.

iii. 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 7th day of April, 2025.)

MEMBER MEMBER MEMBER