THE ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY
AT: VIJAYAWADA

On 21st day of April,2025.
CORUM:Sri. U.S.L.N.Kameswara Rao, Hon'ble Member,
Sri. A.Jagannadha Rao, Hon'ble Member.

Complaint No.: 64/2023

Between:

Vaddeboina Venkata Narayana,
S/o. Vaddeboina Sambaiah,
Aged about 38 Years, R/o. Flat No. 102, B-Block,
Mahalakshmi Towers, Tadigadapa, Donka Road,
Tadigadapa, Penamaluru Mandal,
Krishna District, A.P - 521 137.

And

1. M/s. Sree Sayee Constructions,
   Regd. Office at D. No. 6-49, /1, SF-II, 2nd Floor,
   Umasankar Nagar, 3rd Lane, Kanuru,
   Penamaluru Mandal, Vijayawada,
   Krishna District – 520007,
   Represented by its Managing Director,
   Sri. Gorijala Thirupathi Rao, Aged, 48 Years,
   S/o. Sri Rama Mohana Rao,

2. Matla Kondala Rao, S/o. Balaiah,
   Aged about 56 Years, Occ: Business,
   R/o. D. No. 31-1-3B, Patel Road, Maruthi Nagar,
   Vijayawada (Urban), Machavaram Road,
   Krishna District, Andhra Pradesh -520004.

3. Pattiboyina Vijaya Lakshmi,
W/o. Siva Sankar, Aged about 30 Years,
R/o. D. No.33-21-38, Eluru Road, Seetarampuram,
Vijayawada, Krishna District,
Andhra Pradesh – 520002.
4. Pattiboyina Chandrasekhar Yadav,
S/o. Narasimha Rao, Aged about 32 Years,
R/o. D. No.30-20-1, Kotilingam Street, Chuttugunta,
Vijayawada, Krishna District,
Andhra Pradesh – 520002.

...Respondents

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.

Brief Facts of the Complaint:

The Complainant is a citizen of India and a resident of Vijayawada, who has filed this complaint under the provisions of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the Act") alleging non-compliance by the Respondent No. 1 with statutory obligations and agreed terms related to a real estate project.

The Respondent No. 1 is a Developer who entered into a Development Agreement-cum-General Power of Attorney dated 08.06.2018 (bearing Doc. No. 4233 of 2018) with the landowners for developing an apartment project under the name "*YUVA'S HILL CREST*", comprising Stilt + Ground + 3 Upper Floors, situated in R.S. No. 89/5, Kesarapalli Village, Gannavaram Mandal, Krishna District. The Respondent obtained construction permission from the Andhra Pradesh Capital Region Development Authority (APCRDA) under Permit No. 1168/6463/B/GNVRM/KRP/2018, dated 15.02.2019.

The Complainant submitted that he was induced by the representations and assurances of the Respondent's Managing Partner, including promotional brochures and a model flat, and was led to believe that the project was fully approved and that possession would be delivered within the promised timeline. On this basis, the Complainant booked Flat Nos. 301 and 304 and paid a total sum of Rs. 50,00,000/- (Rupees Fifty Lakhs Only), including Rs. 31,00,000/- towards sale consideration and Rs. 19,00,000/- towards amenities and interior specifications as depicted in the promotional materials. The Sale Deeds for the flats were executed on 18.12.2019 vide Regd. Nos. 7523 and 7522 of 2019 in the office of the Joint Sub-Registrar, Kankipadu.

Despite receiving full consideration and executing the sale deeds, the Respondent failed to carry out the construction and eventually demobilized all workforce and machinery from the site. The Complainant, upon several follow-ups, was met with vague assurances and no tangible progress at the project site. By mid-2022, site visits confirmed the stagnation of construction, prompting the Complainant to verify the status of the project with the Andhra Pradesh Real

Estate Regulatory Authority (AP RERA). He discovered that the project had not been registered with AP RERA despite meeting the statutory threshold under Section 3 of the Act.

The Complainant further stated that the Respondent collected more than 10% of the property value before execution of the Sale Agreement, in violation of Section 13(1) of the Act. The Complainant further submits that the delay in delivery of possession and failure to register the project with RERA has caused him immense financial distress, especially since he is a salaried employee who invested his life savings in the project.

The Complainant seeks directions from this Authority to:

1. Declare the Respondent in default and initiate penal proceedings under Section 59 of the Act for failure to register the project.
2. Direct the Respondent to complete the construction and hand over possession of Flat Nos. 301 and 304.
3. Award monthly rental compensation of Rs. 40,000/- (Rs. 20,000/- per flat) from September 2020 until the date of possession, along with 18% compound interest.
4. Award compensation for mental agony and financial hardship.
5. Revoke all permits, approvals, and registration privileges of the Respondent for future projects.

The Authority ordered notice and was served on the respondents, the respondent No.1 filed a memo dated 10.02.2025 stating that the all the pending works will be completed within a period of two months from 10.02.2025.

Under Section 29(4) of the RERA Act:

"The Authority shall dispose of the complaint within sixty days from the date of receipt. If disposal is delayed beyond this period, reasons must be recorded in writing."

To protect the Complainant's interest, this Authority decided to proceed with the matter based on the available records.

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.

On reading of the above proviso it clearly shows that if the promoter fails to complete or is unable to give apartment in accordance with the terms of the agreement of sale and where an allottee does'nt intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over the possession, at such rate as may be prescribed.

In the present case, the respondents failed to complete the project. The complainant should not be made to wait for an extended period at the mercy of the respondents. It is the obligation of the respondents to complete the project and hand over possession. The respondents are liable to compensate for the extended delay beyond the exemption granted under RERA.

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.

In the present case, the complainant does not intend to withdraw from the project and seeks interest for every month of delay until possession is handed over.

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

i. The respondents are directed to complete Flat No.301 and 304, Second Floor "Yuva's Hill Crest" located in Kesarapalli Village, Gannavaram Mandal, Krishna District and hand over possession to the complainant by obtaining the occupancy certificate within two months from the date of this order.

ii. The respondents are 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 respondents are directed to pay ₹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 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 21st day of April, 2025.)

MEMBER

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