THE ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY
AT: VIJAYAWADA

On 17th day of March,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.: 154/2022

Between:

Akkem Sudheshna,
W/o. Venkateswara Reddy,
Hindu, aged about 42 years,
R/o. D.No. 7-435, 2nd Floor,
Besides Satyavathi Residency,
Poranki, N.T.R. District,
Andhra Pradesh.

...Complainant

And

1. M/s. Pradeep Constructions,
   Represented by its Proprietrix,
   Paidipamula Lakshmi Kumari,
   W/o. P. Raja Rao,
   Hindu, aged about 43 years,
   R/o. D. No. 28-89, Yenamalakuduru Village,
   Penamaluru Mandal, N.T.R. District,
   Andhra Pradesh.
2. Paidipamula Lakshmi Kumari,
   W/o. P. Raja Rao,
   Hindu, aged about 43 years,
   R/o. D. No. 28-89, Yenamalakuduru Village,
   Penamaluru Mandal, N.T.R. District,
   Andhra Pradesh.

3. Pratipati Poojitha,
   W/o. Anirudh,
   R/o. 15146, Tower 15B, Prestige Bella Vista,
   Mount Poonamalle Road,
   Kanchipuram, Tamil Nadu.
4. Valluru Ravindranath,
   S/o. V. Purnachandra Rao,
   R/o. D.No. 54-18-1/4, Prasanthi Nagar,
   Near Ramesh Hospital, ITI Road,
   Vijayawada, NTR District,
   Andhra Pradesh.

... Respondents

The case was posted for hearing on 10.03.2025, After examining the documents and hearing the arguments, the Authority passed the following:

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 their promises and did not adhere to the project timelines, thereby failing to perform their obligations.

The case of the complainant is that he entered into a sale agreement with Respondents 1 to 4 for the purchase of Flat No. FF-1 in the proposed apartment project "Poojitha Residency." The complainant supplied cement and steel worth ₹35,03,000/- for the construction of the apartment. In lieu of the same, a registered sale deed was executed on 10-06-2022. However, the project remains in the pre-foundation stage, and no construction has taken place. The complainant alleges that the project is not registered and that he issued a legal notice on 27-09-2022,

but no action was taken by the respondents. Therefore, he filed the present complaint seeking the relief, Direct the respondents to complete the project and hand over Flat No. FF-1 within a reasonable time, Direct the respondents to pay damages of ₹10,00,000/- for mental agony and suffering, Punish the respondents under Sections 59 and 60 of the RERA Act for contravening Sections 3 and 4 of the Act. and alternatively, direct the respondents to refund ₹35,03,000/- (cost of the flat) and ₹2,90,000/- (registration charges) with 24% interest from 10-06-2022.

The Authority issued a notice to the respondents. In pursuance of the same, G.S.S.S. Suryanarayana, Advocate, appeared for Respondents 1 and 2 and filed a vakalat, whereas for Respondents 3 and 4, A. Yugandhar appeared and filed his vakalat.

On 10-03-2025, P. Lakshmi Kumari, Respondent No. 2, appeared and filed a letter stating that the respondents agreed to make the payment by the end of March 2025 and requested time for the same.

The complainant submitted that the respondents have been repeatedly postponing the payment under various pretexts. He expressed his hardship, stating that he cannot be expected to wait indefinitely at the mercy of the respondents.

The respondents have neither completed the project within the stipulated period as per the agreed terms nor refunded the amount paid by the complainant. Their conduct clearly indicates an intentional delay in refunding the amount.

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.

It is evident that, in the present case, the complainant has chosen to withdraw from the project and has requested the return of the amount paid along with interest. Since the complainant is not interested in taking possession of the flat, the respondents have no option but to comply with the complainant's demand for a refund.

As far as the relief claimed by the complainant for payment of damages is concerned, the appropriate forum is the Adjudicating Officer. If the parties so desire, they may file a claim petition before the appropriate forum for compensation.

In view of the above facts and circumstances, in the exercise of powers conferred under Section 37 of the RERA Act, the Authority issues the following directions:

i. The respondents are directed to return ₹35,03,000/-(Rupees Thirty five lakhs and three thousand only) towards the cost of the flat and ₹2,90,000/- towards registration charges, along with interest @ 11% (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 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 17th day of March, 2025.)

MEMBER MEMBER MEMBER