



THE ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY  
AT: VIJAYAWADA

On 1<sup>st</sup> day of September, 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:115/2025

**Between:**

Atluri Venkata Jithendra,  
S/o. Atluri Ananda Ramaiah,  
R/o. Door No: 19-100,  
Ammavarithota, Nuzividu,  
Krishna District, Andhra Pradesh.

...Complainant

**And**

1. Machineni Koteswara Rao,  
S/o.Machineni Venkataratnam,  
1<sup>st</sup> road, Plot No.19, RTC Colony,  
Near Stella College, Vijayawada.
2. Sainedi Srikanth,  
S/o. Sainedi Venkateswara Rao,  
Managing Partner, Builder,  
Hasini Infrastructures, Kakinada  
R/o. D.No.3-16-185, Flat No.103,  
Indraprastha Yudhishtira Apartment,  
Sri Vijaya Colony, Kakinada,  
East Godavari District.

...Respondents

**O R D E R**

The complaint is filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016, alleges that the promoters has failed to fulfill their promises, and neglected their obligations.



The Complainant is a homebuyer in the real estate project titled "*Platinum Entity*", undertaken by the Respondents. Respondent No.1 is the owner of the project land, and Respondent No.2 is the developer. Respondent No.1 acquired various extents of non-agricultural land situated in Sy. Nos. 139/2A and 139/2B, China Avutapalli Village, Gannavaram Mandal, Krishna District, through registered sale deeds as follows: Sy. No. 139/2B - 2,904 Sq. Yards, purchased on 07.01.2014 (Sale Deed No.133/2014), Sy. No. 139/2A - 2,904 Sq. Yards, purchased on 07.01.2014 (Sale Deed No.6020/2016), Sy. No. 139/2B - 4,065 Sq. Yards, purchased on 07.01.2014 (Sale Deed No.6018/2016) and Sy. No. 139/2A - 4,840 Sq. Yards, purchased on 07.01.2014 (Sale Deed No.6021/2016).

After setting aside land for internal roads, Respondent No.1 entered into a Development Agreement-cum-General Power of Attorney with Respondent No.2 on 17.05.2018, registered as Document No.3546/2018 at the Sub-Registrar's Office, Gannavaram. Respondent No.2 launched the project titled "*Platinum Entity*", comprising Stilt + Ground + 4 upper floors across 9 blocks (Blocks A to J).

Earlier, Respondent No.1 had obtained technical sanction from APCRDA to construct 235 flats under the name "*Aditya Heights*", vide R.C. No. C2-660/2014, B.P. No.111/2015/VJA dated 18.04.2015. Later, the property was handed over to Respondent No.2 for execution of the *Platinum Entity* project.

A handwritten signature in blue ink, appearing to read "J. M." followed by a stylized flourish.

A handwritten signature in blue ink, appearing to read "Varma".

A handwritten signature in blue ink, appearing to read "Z.K." followed by a stylized flourish.



Based on the representations made by the respondent No.1 assuring timely completion, the Complainant agreed to purchase five (5) flats in the project and paid the entire sale consideration of ₹86,70,000/- through RTGS from the account of Amedha Info Systems Pvt. Ltd. to the account of Respondent No.1. The flats purchased and corresponding amounts paid are as follows: Flat No.409, G-Block, Fourth Floor - ₹17,34,000/-, Flat No.403, H-Block, Fourth Floor - ₹17,34,000/-, Flat No.401, G-Block, Fourth Floor - ₹17,34,000/-, Flat No.306, H-Block, Third Floor - ₹17,34,000/- (₹11,66,000/- and ₹5,68,000/- in two instalments) and Flat No.405, G-Block, Fourth Floor - ₹17,34,000/-.

In part performance of the contract, Respondent No.1 executed the following registered sale deeds in favour of the Complainant i.e Sale Deed No. 8861/2018, dated 17.12.2018 - Flat No.405, Sale Deed No. 6644/2018, dated 17.09.2018 - Flat No.306, Sale Deed No. 6646/2018, dated 17.09.2018 - Flat No.403, Sale Deed No. 8862/2018, dated 17.12.2018 - Flat No.409 and Sale Deed No. 6645/2018, dated 17.09.2018 - Flat No.401. Each sale deed pertains to semi-finished flats measuring 1,229 sq. ft. (including common area) and 100 sq. ft. of car parking space.

However, despite full payment and execution of sale deeds, the project remains incomplete, and at least one flat has not been handed over. The *Platinum Entity* project is not registered under the RERA Act, 2016, in violation of statutory requirements. The sale deeds executed also do not conform to the mandates of the RERA Act.



The Complainant has further alleged that Respondent No.1 has denied access to the site and even involved anti-social elements to prevent site inspection. The delay in construction and failure to deliver possession constitute a clear breach of contractual and statutory duties. Under Section 18(1) of the Real Estate (Regulation and Development) Act, 2016, the promoter is liable to pay interest for every month of delay until possession is delivered.

The continued non completion, lack of RERA registration, and non-handing over of the flats have caused the Complainant severe mental agony, financial hardship, and irreparable loss.

Accordingly, the Complainant has approached this Hon'ble Authority seeking appropriate reliefs under the law.

- 1) To direct the respondents to refund the amount of Rs.86,70,000/- paid under the sale deeds for the above 5 flats in Platinum Entity real estate project along with interest @24% and Rs.1,30,350/- per flat (Total: Rs. 6,51,750/-) towards Registration Charges.
- 2) To direct the respondents to pay Rs.20,00,000/- for Mental Agony and Harassment.
- 3) To direct the respondents to pay Rs. 1,00,000/- for Legal Charges.
- 4) And pass such other order or orders as this Hon'ble Authority may deem fit and proper in the interest of justice.



Respondent No. 1 filed a counter affidavit and stated that he is landowner of the subject property, he denying all allegations levelled against him by the Complainant. He submits that the Complaint is a gross abuse of the process of law, founded upon suppression of material facts and misrepresentation of contractual obligations.

Respondent No. 1 stated that the registered Sale Deeds dated 17.09.2018 and 17.12.2018, relied upon by the Complainant, clearly record that possession of the sale property, including the undivided share of land and the semi-finished flat structure, was delivered on the date of registration itself. The Complainant, having executed such documents, is estopped under law from contending otherwise.

Respondent No. 1 contends that he is merely the landowner and that the entire responsibility for construction, project management, financial control, and delivery of flats was vested solely with Respondent No. 2, M/s. Hasini Infrastructures, under a registered Development Agreement-cum-General Power of Attorney dated 17.05.2018. Respondent No. 1 asserts that he is himself a victim of the fraudulent acts of Respondent No. 2 and has initiated separate proceedings (C.P. No. 110 of 2025) against its partners.

It is further submitted that the statutory obligation under Section 3 of the Real Estate (Regulation and Development) Act, 2016, to register the project, lies exclusively upon the developer and not upon the landowner. Therefore, any liability for non-registration cannot be fastened upon Respondent No. 1.

Page 5 of 12



According to Respondent No. 1, the claim for completion, refund, interest, or compensation lies solely against Respondent No. 2, who collected monies from buyers and thereafter siphoned funds. The prayer for interest and compensation is further stated to fall within the jurisdiction of the Adjudicating Officer under the Act, and not within the summary jurisdiction of this Authority.

Respondent No. 1 submits that the issues raised involve fraud, criminal breach of trust, title disputes, and diversion of funds by the partners of Respondent No. 2, which cannot be adjudicated in summary proceedings and require proper trial before a competent civil/criminal court.

On the above grounds, Respondent No. 1 prays for dismissal of the Complaint against him, with exemplary costs, submitting that no cause of action is made out against him.

The counsel for the complainant Sri. Y. Kanakalingeswara Rao, Advocate, is present, the counsel for the respondent Sri. K. Pavan, Advocate present.

#### **Relevant Provisions:**

*Sec. 11(4): The promoter shall – (a) be responsible for all obligations, responsibilities, and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots, or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be.*

38..  
Page 6 of 12



Provided that the responsibility of the promoter, with respect to the structural defect or any other defect for such period as is referred to in sub-section (3) of section 14, shall continue even after the conveyance deed of all the apartments, plots, or buildings, as the case may be, to the allottees is executed.

(b) be responsible for obtaining the completion certificate or the occupancy certificate, or both, as applicable, from the relevant competent authority as per local laws or other laws for the time being in force and making it available to the allottees individually or to the association of allottees, as the case may be.

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.

Page 7 of 12



(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.

Section 2 (zk) "promoter" means,—

- (i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees; or
- (ii) a person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project, whether with or without structures thereon; or
- (iii) any development authority or any other public body in respect of allottees of—
  - (a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the Government; or
  - (b) plots owned by such authority or body or placed at their disposal by the Government, for the purpose of selling all or some of the apartments or plots;

or

Page 8 of 12



- (iv) an apex State level co-operative housing finance society and a primary co-operative housing society which constructs apartments or buildings for its Members or in respect of the allottees of such apartments or buildings; or
- (iv) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale; or
- (v) such other person who constructs any building or apartment for sale to the general public.

*Explanation. – For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the persons who sells apartments or plots are different persons, both of them shall be deemed to be the promoters and shall be jointly liable as such for the functions and responsibilities specified, under this Act or the rules and regulations made thereunder;*

Under Section 18(1) of the RERA Act, 2016, where the allottee intends to withdraw from the project on account of failure of the promoter to complete or deliver possession in accordance with the terms of the agreement, the promoter is obliged to refund the amounts received from the allottee, together with interest payable for every month of delay until refund. The statutory duty to complete the project and hand over possession lies squarely upon the promoters.

Both Respondent Nos.1 and 2 fall within the ambit of the definition of "Promoter" under Section 2(zk) of the RERA Act. The liability under Section 18 is joint and several, and cannot be restricted to the builder or





developer alone. The internal arrangements between promoters are immaterial from the perspective of an allottee, who is entitled to look to all promoters for compliance.

A narrow interpretation, as suggested by the respondent No.1 that liability rests only on the developer/builder and not on the landowner, would defeat the object of the Act. If accepted, it would enable promoters to evade statutory liability by diverting sale consideration between themselves. This argument cannot be sustained in light of the consumer protection intent underlying RERA Act.

In the present case, it is an admitted fact that Respondent No.1 executed the sale deeds in favour of the complainant and directly received sale consideration for the flats falling to his share. Therefore, Respondent No.1, being a "Promoter" within the meaning of Section 2(zk), is jointly and severally liable for refund under Section 18 of the Act.

The contention of Respondent No.1 regarding the absence of privity of contract is misconceived. The Act expressly envisages promoter liability beyond strict contractual relationships. The protection conferred upon an allottee by Section 18 cannot be defeated by internal arrangements between multiple promoters.

The respondents have not produced satisfactory evidence to demonstrate that the flats were completed as per the agreed timeline and specifications. The admitted failure to hand over possession within the agreed period and the specifications, coupled with the complainant's request for refund, squarely attracts Section 18 of the Act.

A handwritten signature in blue ink, appearing to be a stylized form of the letter 'A'.

A handwritten signature in blue ink, appearing to be the name "Vishnu".

A handwritten signature in blue ink, appearing to be the name "S. J.".



As far as claim for damages/compensation under section 18(3) of the Act is concerned, the instant complaint filed by the promoter, bearing No. 115 of 2025, is hereby referred to the Adjudicating Officer for adjudication of compensation in terms of section 71 of the Real Estate (Regulation and Development) Act, 2016.

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. Respondent No.1 is directed to refund to the complainant the sum of ₹86,70,000/- (Rupees Eighty-Six Lakhs and Seventy Thousand only), along with interest @ 11% per annum (i.e SBI MCLR 9% + 2%), calculated from the respective dates of deposit until the date of realization within 60 days from the date of this order.
- ii. To secure compliance with this order, a charge is created on the project property forming part of the group development project known as "*Aditya Heights/Platinum Entity*" approved by the APCRDA under File No. R.C-C2-660/2014 and Building Permit No. 111/2015, admeasuring a total extent of 14,096.96 Sq. Yards, comprising blocks designated as "A" (Club House) and "B, C, D, E, F, G, H, and J" (residential apartment blocks), situated in R.S. No. 139/2A and 139/2B of Chinna Avutapalli Village, Gannavaram Mandal, Krishna District, within the jurisdiction of the Sub-Registrar Office, Gannavaram, and bounded as follows:

East: Land of Donka and Park,

South: Land of Potluri Raja Rao,

Page 11 of 12



West: Lands of Potluri Raja Rao, Machineni Bhavani, and A. Srinivasa Rao,

North: Road.

- iii. This charge shall remain operative until the entire refund amount along with interest is paid to the complainant in full.
- iv. The Sub-Registrar, Gannavaram, is directed to record the aforesaid charge in the relevant registration/revenue records and ensure that no transfer, sale, or alienation of the said property is effected until full compliance with this order.
- v. The respondent No.1 is directed to pay a sum of ₹10,000/- (Rupees Ten Thousand only) to the complainant towards litigation expenses.
- vi. In case of failure to comply with this order within the stipulated period, the respondents shall be liable for further action under Section 63 of the Act, including imposition of additional penalties.

\*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 1<sup>st</sup> day of September, 2025.)

  
MEMBER

  
MEMBER

  
MEMBER

