



THE ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY  
AT: VIJAYAWADA

On 4<sup>th</sup> day of August, 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:12/2024

Between:

Sri. Kilaru Jagga Rao,  
S/o Late Kilaru Appa Rao,  
H.No: 80 (23), Ground floor,  
Near BIBA Show room, Sardar Patel road,  
Kasturbai Nagar, ADAYAR,  
Chennai, Tamil Nadu-600020.

...Complainant

And

1. M/s. Raki Avenue Pvt. Ltd.,  
Rep. by its Managing Director,  
Ramayya Venu, S/o. Ramayya,
2. Chandrakantha Venu, Director
3. Ragini Venu, Additional Director  
Corporate Office, D.No.73-22-4A, Plot No.28,  
Venkata Krishna Gardens, Balaramakrishnam Raju Nagar,  
Behind GAIL Office, A.V. Apparao Road,  
Rajahmundry- 533 103
4. Sunkara Nageswara Rao,  
T-1, Prudvi Enclave, 3rd Floor, D.No: 80-30-17/3-1,  
Jayashri Gardens, Road No.3, AV Apparao Road,  
Rajahmundry - 533 103.

...Respondents



## ORDER

The complainant has filed the present complaint under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter "the Act"), alleging non-completion of the project and failure to perform statutory and contractual obligations by the respondents, M/s Raki Avenues Private Limited (RAPL), Rajahmundry, and its Directors.

The complainant entered into an Agreement of Sale dated 09.08.2019 with the respondents for the purchase of Flat No. 302, Block-A, 1<sup>st</sup> Floor, admeasuring 2145 sq.ft., in the project titled "*Chandrika Aaradhya*", situated at Diwancheruvu Village, Rajahmundry, covered by Survey Nos. 580, 616/1, 616/2, 617/1, and 618 (part), and approved by the Director of Town and Country Planning (DTCP) vide LP No. 47/2004 R, C.No.2094/2004 R. The project is registered with AP RERA bearing Registration No. P04280081602, based on Application No. 271120075257.

The complainant stated that he paid a total amount of ₹45,00,000/- (Rupees Forty-Five Lakhs only) towards the said flat, comprising ₹20,00,000/- through RTGS on 01.08.2019, as reflected in the Agreement of Sale dated 09.08.2019, ₹10,00,000/- in cash on 09.08.2019 (Receipt No. 7) towards woodwork, interiors, registration, and GST charges and ₹15,00,000/- by way of a bank loan adjustment from his flat in *Chandrika Vilaasini (Kalyani Block)*.

Despite receipt of the above payments, the respondents failed to complete the project. It is stated that even after a lapse of over four years, construction has progressed only up to the foundation level. When the complainant sought clarification, the respondents attributed the delay to the COVID-19 pandemic



and thereafter became untraceable. The complainant submits that the promoters have shifted their operations to Hyderabad, abandoning the project and leaving allottees in uncertainty.

The complainant further alleges that upon his demand for refund, the Managing Director of RAPL, Sri Ramaiah Venu, issued an SBI cheque (No. 599930 dated 30.12.2023) for ₹10,00,000/- towards part refund, which was dishonoured due to insufficient funds. The complainant submits that this act evidences the promoter's mala fide intent and financial mismanagement. He also states that he has refrained from initiating criminal proceedings under the Negotiable Instruments Act, 1881, in view of approaching this Authority for comprehensive redressal under RERA.

The complainant alleges that the promoters have violated Sections 3, 11, and 18 of the Act, and Rule 19 of the Andhra Pradesh Real Estate (Regulation and Development) Rules, 2017, by failing to complete and deliver the project, abandoning it without notice, and failing to refund the consideration. He also contends that the respondents have diverted company assets to another entity, M/s V.K. Farms & Resorts, Hyderabad, floated by the same family members, amounting to fraudulent conduct and misappropriation.

Accordingly, the complainant expresses his willingness to withdraw from the project and seeks relief under Section 18(1)(a) of the Act, praying for refund of the total amount paid along with interest, compensation, and costs.

The reliefs sought are summarized as follows:

1. Refund of ₹45,00,000/- paid to the respondents.
2. Reimbursement of ₹7,65,000/- towards bank interest, insurance premium, and related expenses.

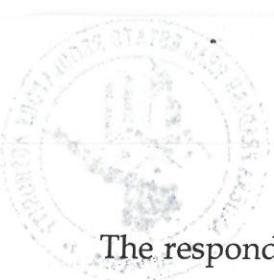


3. Penal interest on ₹25,00,000/- @ 24% per annum for 5 years (₹30,00,000/-), as per the agreed terms.
4. Compensation of ₹1,00,000/- for mental agony and harassment.
5. Total claim amount: ₹83,65,000/-.
6. Imposition of penalty under Section 59 of the Act for failure to comply with the provisions of RERA and for abandonment of the project.

By way of interim relief, the complainant, being a senior citizen dependent on pension, prays that the Authority may restrain the respondents from selling, transferring, or otherwise alienating the assets of M/s Raki Avenues Pvt. Ltd., including Corporate Office Building at Plot No.22, Venkatakrishna Gardens, Rajahmundry, A villa under construction at *Chandrika Vilaasini*, Srirampuram Road, The project *Chandrika Avantika Phase-II* near GSL Medical College, Rajahmundry and *Chandrika Ayodhya Phases I & II* at Konacheruvu, Gannavaram until the final settlement of the complainant's dues.

The respondent filed a counter denying the allegations made in the complaint and contending that the complaint is not maintainable either on facts or in law and is liable to be dismissed.

The respondent admits that the first respondent is a duly incorporated company, represented by its Managing Director, and that an agreement of sale was entered into with the complainant for the purchase of the subject flat. It is stated that the construction of the flat commenced as per the approved plan; however, the project could not be completed within the stipulated time due to circumstances beyond the control of the promoter.



The respondent attributes the delay in completion of construction to multiple factors, including non-availability of sand and raw materials, labour shortage, and the impact of the COVID-19 pandemic and subsequent lockdowns imposed by the Government, which restricted the functioning of non-essential industries. It is submitted that despite these constraints, the respondent made sustained efforts to mobilize additional funds and continue the construction work, incurring substantial expenditure beyond the estimated cost.

It is further contended that certain local individuals illegally interfered with the construction process and obstructed the work at the project site, resulting in further delays. The respondent also asserts that many customers, including some allottees in the same project, failed to honour their financial commitments by not paying instalments as per the agreed schedule, thereby causing severe financial strain on the company and affecting the overall progress of construction.

The respondent maintains that there was no willful default, negligence, or mala fide intention on its part. The delay, according to the respondent, was due to supervening impossibilities such as the pandemic, market disruption, and acts of third parties, and therefore, the promoter cannot be held liable for compensation under Section 18 of the Act.

It is further submitted that the construction work is presently in progress, and the respondent is committed, ready, and willing to complete the project and hand over possession of the respective flats to the allottees, including the complainant, within two to three years. The respondent therefore contends that the demand for refund or compensation at this stage is unreasonable and contrary to the principles of natural justice.



In conclusion, the respondent prays that the Hon'ble Authority may be pleased to record the undertaking of the promoter to complete the project within the stipulated extended time and dismiss the complaint, as no willful violation of the Real Estate (Regulation and Development) Act, 2016 or the Rules made thereunder has been established.

The Complainant has elected to withdraw from the project under Section 18(1)(a) of the RERA Act, 2016, and accordingly seeks refund of the amount paid, along with interest and legal costs.

As per Section 18(1)(a) of the Act, if the promoter fails to complete or is unable to give possession of the apartment in accordance with the terms of the Agreement for Sale, or as per the statutory timelines under the Act, the allottee is entitled to withdraw from the project and claim refund of the entire amount paid, along with interest at the rate prescribed under the Rules.

The relevant statutory provision under Section 18(1)(a) reads as follows:

*"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..."*

*he shall be liable on demand to the allottee, 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, with interest at such rate as may be prescribed..."*



In the present case, the Respondents have failed to complete the construction, obtain Occupancy Certificate, or hand over possession of the unit to the Complainant. These actions constitute a clear violation of the statutory obligations imposed under the Act and the terms of the registered agreement for sale.

The Complainant's right to withdraw from the project and seek refund is therefore fully protected under law.

The ruling of the Hon'ble Supreme Court in Imperia Structures Ltd. vs. Anil Patni & Anr., (2020) 10 SCC 783, squarely applies. The Hon'ble Court held:

*"In terms of Section 18 of the RERA Act, if a promoter fails to complete or is unable to give possession of an apartment duly completed by the date specified in the agreement, the promoter would be liable, on demand, to return the amount received by him... if the allottee wishes to withdraw from the project. Such right is unqualified, and the money has to be refunded with interest as prescribed."* (emphasis supplied).

In accordance with Rule 16 of the Andhra Pradesh Real Estate (Regulation and Development) Rules, 2017, the prescribed rate of interest for delay or refund is SBI's highest Marginal Cost of Lending Rate (MCLR) + 2%, which is presently 11% per annum, payable from the respective dates of payment made by the Complainant until the date of realization.

Accordingly, in exercise of powers conferred under Section 37 of the Real Estate (Regulation and Development) Act, 2016, this Authority hereby issues the following directions:



- i. Respondents 1 to 4, jointly and severally, are directed to refund the sum of ₹45,00,000/- (Rupees Forty Five Lakhs only) to the Complainant, along with interest @ 11% per annum (i.e., SBI MCLR 9% + 2%), calculated from the respective dates of payment, within 30 days from the date of this order until the date of actual realization.
- ii. The Respondents shall further pay ₹10,000/- (Rupees Ten Thousand only) to the Complainant towards legal expenses incurred in pursuing this complaint.
- iii. As far as the claim for damages under Section 18(3) of the Act is concerned, the instant complaint filed by the promoter, bearing No. 32 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.
- iv. Any failure to comply with this order shall attract further proceedings under the Act, including but not limited to imposition of penalty under Section 63 of the Act.

\*As per Section 44 of the Act, an appeal against this order lies before the Real Estate Appellate Tribunal, Andhra Pradesh, within a period of sixty (60) days from the date of receipt of this order.

(Typed as per the dictation of the Authority, corrected and pronounced in open court on this 4<sup>th</sup> day of August, 2025.)

Sd/- Sri. E.Rajasekhara Reddy Member	Sd/- Sri. U.S.L.N.Kameswara Rao Member	Sd/- Sri. A.Jagannadha Rao Member
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//Forwarded// By Order//

