THE ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY
AT: VIJAYAWADA

On 24th 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.: 44/2024

Between:

Adusumilli Gopala Krishna Kumar,
S/o Venkateswara Rao,
Aged about 60 years, occ: Govt. employee
R/o. Quarter No: MC269, PV Colony, Manuguru,
P.V. Township, Khammam District – 507125

... Complainant

AND

1. Mr. Machineni Koteswara Rao,
   Prop. Sri Aditya Infra & Housing Projects,
   S/o. Machineni Venkataratnam
   R/o. 59A-6/1-10, House no.19, 1st road,
   Sai sadhan, RTC Colony, Benz Circle,
   Vijayawada, NTR District – 520008
2. Managing Director, Hasini Infrastructures,
   D.No- 50-1-15, Jagannayakpur, main Rd
   Kakinada, East Godavari - 533002
3. RACPC 2, State Bank of India
   Ramachandra Nagar Road, 2nd Line,
   Siddhartha Nagar, Vijayawada,
   Andhra Pradesh - 520010.

... Respondents

ORDER

The complaint filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016, alleging that the promoter of the project failed to perform his obligations and violated the provisions of the RREA Act and the rules made thereunder.

The case of the Complainant is that he purchased a two-bedroom residential flat bearing No. G1, located on the Ground Floor of H-Block in the project titled *"Aditya Heights"*, which was approved by the Capital Region Development Authority (CRDA) under Building Permit No. 111/2015 and registered at the Gannavaram Sub-Registrar Office.

The 1st Respondent entered into a Development Agreement-cum-General Power of Attorney with the 2nd Respondent on 17.05.2018, vide Deed No. 3546/2018. Pursuant to this, the 2nd Respondent initiated a real estate project under the name and style of 'PLATINUM ENTITY', in which the present complainant purchased one flat by executing Sale Deeds.

Pursuant to the purchase, the Complainant entered into a non-possessory Sale Agreement and a Construction Agreement dated 12.02.2019 with Respondent No. 1 (the developer firm) and Respondent No. 2 (its authorized representative), under which the Respondents undertook to complete and deliver possession of the subject flat within one year, i.e., by 12.02.2020.

The Complainant also stated that he paid a total consideration of ₹47,17,500/- to Respondent No. 1, which included ₹23,02,750/- paid through various modes as acknowledged in the undertaking letter dated 12.02.2019, ₹19,86,000/- disbursed by Respondent No. 3 (State Bank of India) in two instalments under a housing loan sanctioned in 2019, and ₹4,28,750/- paid in cash.

Based on the payment made, a Registered Sale Deed was executed in favour of the Complainant on 25.04.2019 vide Document No. 3308/2019 at the Sub-Registrar Office, Gannavaram, in respect of the Complaint Schedule Property.

Despite the lapse of over five years and repeated follow-ups, Respondents No. 1 and 2 have failed to complete the construction or hand over possession of the flat. The Complainant continues to incur financial burden, including payment of EMIs on the housing loan, without access to or benefit from the property.

The Complainant further stated that Respondent No. 3 failed to comply with the due diligence obligations mandated under the Reserve Bank of India (RBI) guidelines before disbursing the loan and failed to verify construction progress at relevant stages, thereby enabling Respondents No. 1 and 2 to misappropriate funds without ensuring project completion.

In light of the continued delay and financial distress suffered, the Complainant has approached this Authority seeking equitable reliefs including compensation for the loss and mental agony caused, and for holding the financing bank accountable for its regulatory lapses.

The Complainant further submitted that the Respondent No. 1 is currently attempting to sell other unsold flats and plots in the "Platinum Entity" project (Petition Schedule Property). It is apprehended that such alienations, if permitted during the pendency of the proceedings, may frustrate or render ineffective any final order that may be passed by this Hon'ble Authority.

It is also brought to the notice of the Authority that Respondent No. 1 is attempting to abscond from the local jurisdiction and does not own any other known immovable property, thus necessitating urgent protective measures such as conditional attachment of the Petition Schedule Property and furnishing of security to ensure compliance with potential directions of the Authority.

The Authority, having taken cognizance of the Complaint, directed issuance of notice to the Respondents. Notices were served on Respondents No. 1 and 3. The Authority permitted substituted service on Respondent No. 2 after the original notice was returned undelivered with the remark "no such addressee in the door number."

On 24.03.2025, when the matter was listed, counsel for the Complainant was present and filed an interim application. None of the Respondents appeared despite service.

Section 3(1) of the Act mandates that no promoter shall advertise, market, book, sell, or offer for sale, or invite persons to purchase any apartment in a real estate project without registering the project with the Real Estate Regulatory Authority.

Upon perusal of the complaint and the interim application filed by the complainant, it clearly shows that the project was not registered with AP RERA. However, the Respondents have continued to advertise and sell flats in contravention of the Act and the rules made thereunder.

Allowing such unauthorized sales in an unregistered project may result in significant injustice to unsuspecting prospective purchasers. Therefore, this Authority is of the prima facie view that the Respondents' conduct violates the provisions of the RERA Act and the Rules framed thereunder.

Accordingly, in the interest of the flat buyers, this Authority deems it appropriate to pass the following interim order under Section 36 of the Act:

i. The Respondents are hereby restrained from advertising, marketing, booking, selling, offering for sale, or inviting any person to purchase any flat, unit, or plot within the Scheduled Property forming part of the group development project known as *"Aditya Heights"* (developed by Sri Aditya Infra Housing India Pvt. Ltd.), 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,

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

North: Road.

This restraint shall continue to operate until the final disposal of the complaint.

ii. In case of non-compliance with the above direction, this Authority shall proceed to impose additional penalties as per Section 63 of the Act, 2016.

The District Collector, Krishna District, and the Tahsildar, Gannavaram Mandal are hereby directed to take note of the attachment of the above-mentioned property and ensure that no alienation, sale, mortgage, or other transfer of the said property takes place until further orders from this Authority.

The Sub-Registrar, Gannavaram, is hereby directed to record the attachment order in the encumbrance records of the said property and refrain from registering any transactions relating to the aforementioned land until further notice from this Authority.

The matter is posted for further hearing on 16.06.2025.

(Typed as per the dictation of the Authority, corrected, and pronounced by the Authority in open court on this 24th day of March, 2025.)

MEMBER MEMBER MEMBER