BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

[Under the Real Estate (Regulation and Development) Act, 2016]

Complaint No. 202 of 2025
Dated: 30th December 2025

Quorum: **Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson**
Sri K. Srinivasa Rao, Hon'ble Member
Sri Laxmi Narayana Jannu, Hon'ble Member

1. Mr. Sobhanbabu Kolakaluri
2. Mrs Mulpuri Swathi, w/o Sobhanbabu Kolakaluri
R/o flat no 202, Savi Vykuntam Classic,
Shilpa Avenue Colony,
Hydernagar, Hyderabad-500049

…Complainant

Versus

M/s. Vasavi Realtor LLP,
Rep by its Designated Partner, Vijay Kumar Yerram & Kandey Ramesh,
Vasavi Corporate,
H.No.8-2-703/7/1 and 8-2-703/7/1/A,
4th Floor, Vasavi Corporate Building, Amrutha Valley Apartments,
Road No. 12, Banjara Hills, Hyderabad, Telangana - 500034

…Respondent

The present matter filed by the Complainant herein came up for hearing before this Authority in presence of Complainant and the Respondent; upon pursuing the material on record and on hearing arguments of both the parties and having stood over for consideration till this day, the following order is passed:

ORDER

2. The present Complaint has been filed by the Complainant under Section 31 of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as the "Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules") seeking appropriate relief(s) against the Respondents.

A. The brief facts of the case, as stated by the Complainant, are as follows:

1. It was submitted that the Complainant had entered into an Agreement for Sale with the Respondent, Vasavi Realtors, in April 2022 for the purchase of Flat No. 31306 in Tower 3 of

the project “Vasavi Lake City - East Wing,” which was registered under RERA No. P02500001821.

2. It was stated that as per the terms of the said Agreement of Sale, the stipulated date for the handover of possession of the flat was August 2024. It was contended that as of February 2025, possession had not been delivered, constituting a delay of seven months, and the Respondent had failed to provide a certain date for the future handover.

3. It was further submitted that the Respondent had repeatedly postponed the committed handover date. It was alleged that after an initial assurance for February 2025, the date was pushed to March 2025, and subsequently to June 2025. The Complainant contended that even the latest timeline appeared unrealistic given the quantum of pending work.

4. It was alleged that since September 2023, there had been a lack of significant progress in construction over a period of approximately one and a half years, with only minor works such as door, window, and tile installation being carried out.

5. It was submitted that numerous works remained incomplete within the building. These included the installation of bathroom fixtures, windows, doors, service lifts, and staircase railings. Furthermore, electrical switchboards and water connections had not been completed, and both external and internal painting works were pending.

6. It was also contended that the common amenities, including the clubhouse, garden, and children's play area, remained incomplete, and the parking ramps and parking areas were still under construction. The Complainant raised concerns regarding the quality of work, citing issues such as gaps between windows and walls, narrowly constructed doors, and water leakage on several floors. It was further stated that the Respondent was not installing the kitchen platform, the cost of which was included in the sale consideration, and no information regarding reimbursement for the same had been provided.

B. Reliefs Sought

7. Accordingly, the Complainant sought the following reliefs:

i. To direct the Respondent to complete all pending construction and hand over possession of the subject flat to the Complainant at the earliest, within a fixed and enforceable timeframe to be determined by this Honourable Authority.

ii. To direct the Respondent to pay interest on the total amount paid by the Complainant, calculated from the promised date of possession as per the Agreement for Sale until the actual date of handover, at the rate prescribed under the Act.

iii. To direct the Respondent to pay adequate compensation for the severe mental stress, financial hardship, health problems, and loss of professional time suffered by the Complainant due to the inordinate delay in the project's completion.

iv. To direct the Respondent to pay specific compensation, estimated at Rs. 1,00,000/-, towards the additional school transportation costs for the Complainant's children, a financial burden incurred due to the Complainant's reasonable reliance on the Respondent's previously communicated handover date of February 2025.

C. Counter filed by the Respondent

8. It was submitted by the Respondent that the complaint was not maintainable either in law or on facts and was liable to be dismissed. The Respondent contended that the Complainant had failed to follow the remedies available under the Agreement for Sale for the resolution of disputes before approaching this Hon'ble Authority. It was further submitted that no prior legal notice was issued before the filing of the complaint, which rendered the application defective.

9. It was submitted that the project, "Lake City-East," was developed lawfully after the Respondent obtained rights from the landowners under registered documents, covering a total land area of 34,704.37 sq. yds. The requisite permissions for land conversion and for the construction of multi-storied residential apartments were obtained on 07.02.2020. The project, consisting of multiple towers and a clubhouse, was duly registered with this Authority vide Registration No. P02500001821 dated 20.03.2020.

10. It was further submitted that the Complainant was allotted apartment No. E. 031306 on the 13th Floor of Tower 3, admeasuring 1650 sq. ft., and an undivided share of 46 sq. yds. of land under the Agreement of Sale. The agreement detailed the carpet area, balcony area, common area, and the undivided share of land. The total sale consideration was Rs. 1,20,34,500/- out of which complainant paid Rs. 25,27,245/-.

11. It was submitted that as per Clause 7 of the Agreement, the Respondent was obligated to hand over possession of the apartment on or before 31.08.2024, with a grace period of six months. The said clause explicitly stated that the period of completion would stand extended in the event of force majeure conditions, during which the allottee was not entitled to claim any compensation for the delay.

12. It was contended that the Complainant had not approached this Hon'ble Authority with clean hands but with an ulterior motive for unlawful gain, and that there had been a material suppression of facts. While the existence of the Agreement of Sale was not in dispute, the Respondent averred that the Complainant made false claims despite being aware of the contractual terms and circumstances.

13. The Respondent stated that the project timelines were severely impacted by the COVID-19 pandemic, which was a force majeure event recognized under law. It was submitted that following the declaration of a public health emergency in January 2020, a nationwide lockdown was imposed in India from March 2020. This event led to a mass migration of the labour force, which was critical to the construction industry in Hyderabad, thereby causing a significant and unavoidable delay in the project work. All allottees were kept informed of these developments.

14. The Respondent further relied on the orders of the Hon'ble Supreme Court in **Suo Motu Writ Petition (C) No. 3 of 2020,** whereby the period from 15.03.2020 to 28.02.2022 was excluded for the purposes of computing limitation across all statutes. It was contended that this legally recognized the extraordinary circumstances and justified the extension of timelines for project completion.

15. In addition to the pandemic, the Respondent submitted that the project was delayed by other unforeseen factors. It was stated that the project site contained rocky terrain which, due to its location in a residential vicinity, could not be excavated using explosives. The consequent need for manual rock-breaking compounded the construction delays. Furthermore, the project was adversely impacted by third-party disputes, including several legal proceedings filed against the project, such as RERA Case No. 190/2020, W.P. No. 2694/2021, and W.P. No. 26301/2024, which hindered its smooth progress. These challenges were communicated to the customers in periodic meetings.

16. It was contended that any clerical or typographical errors in the Agreement of Sale, such as an incorrect possession date mentioned in one instance, could not be exploited to create liability, especially when the magnitude of the project made such a timeline practically impossible. The Respondent asserted that the project was over 90% complete and in the final finishing stages. An extension for the project registration had been granted by this Authority up to 07.02.2026, and the Respondent gave an undertaking to deliver the apartments within this extended period.

17. With regard to the claims for interest and compensation, the Respondent submitted that such reliefs were not maintainable in view of the force majeure conditions. It was argued that the circumstances clearly fell within the definition provided under Section 6 of the Act. The Respondent maintained that the delay was not due to any deliberate act or default on its part, and therefore, the Complainant had not established any legal basis for claiming compensation for mental agony or financial loss.

18. The Respondent concluded that the complaint was preposterous and without foundation. It was prayed that the complaint be dismissed and the Respondent be allowed to complete the project and deliver possession to all allottees as per the extended timeline.

D. Rejoinder filed by the Complainant

19. It was submitted in response to the preliminary objection regarding maintainability, that the said objection was baseless, vague, and legally untenable. The complaint had been filed under the provisions of the Real Estate (Regulation and Development) Act, 2016, seeking redressal for the inordinate delay in handing over possession. It was stated that the Agreement of Sale dated 22nd April 2022 clearly stipulated the committed date of possession as August 2024, and as possession had not been granted by the date of filing the complaint on 15th March 2025, the application was legally maintainable under Section 31 read with Sections 18(1) and 19(4) of the Act.

20. In response to the contention that the applicant had not availed methods as provided in the agreement, it was submitted that all relevant evidence, including the Minutes of Meetings (MOMs) and Form M, had already been submitted in support of the claims, and that all possible means to establish contact with the builder had been exhausted.

21. The objection regarding the non-issuance of a legal notice was addressed. It was submitted that the Complainant had repeatedly contacted the Builder for possession, and each time a new deadline was given without proper explanation. It was further submitted that under the RERA Act, a prior legal notice was not a mandatory requirement.

22. It was submitted that obtaining development rights, permissions for construction, and RERA registration were the prerequisite and complete responsibility of the Respondent. Similarly, it was submitted that the allotment of the apartment and payment of the booking amount were prerequisites for both the Complainant and the Respondent to enter into an Agreement of Sale.

23. It was argued that the Authority needed to consider the date of the Agreement of Sale, which was on 31st May 2022, a date much later than the COVID-19 pandemic, making any related extension inapplicable to the Complainant's case. It was further submitted that the builder had never proactively communicated delays or progress and had failed to meet even the revised project schedules that were shared only after multiple follow-ups.

24. The Respondent's reliance on *force majeure* was addressed. It was argued that if the *force majeure* event was only COVID-19, this did not apply to the Complainant as the agreement was executed well after the pandemic. It was submitted that the delay in construction had happened from the end of 2023 onwards, a period when COVID was not in effect. This, it was contended, could be confirmed by the fact that no demand letter was issued for over a year after October 2023, indicating that progress had almost stalled.

25. In response to the clause regarding the procedure for taking possession, it was submitted that the expectation was for a full Occupancy Certificate only after the completion of the entire project with all amenities as per the timeline, and therefore, it was not an appropriate point to discuss at that stage.

26. The baseless, vague, and defamatory allegations made by the Respondent were categorically denied and strongly objected to. It was submitted that the Complainant had made full disclosure of all material facts and that the delay was inordinate and wholly unjustified. The Respondent's assertion was described as a contemptuous and derogatory attempt to malign the Complainant's genuine and lawful grievance.

27. It was reiterated that the *force majeure* claim based on COVID-19 was inapplicable as the agreement was executed after the pandemic, and the construction delay occurred from late 2023 onwards, which was confirmed by the lack of demand letters for over a year after October 2023.

28. It was submitted that the delay had been cumulative and that after each discussion, the scheduled date of possession had been updated three to four times after the original date of August 2024 had already lapsed.

29. It was argued that the builder could not claim a "clerical mistake" as an excuse for the date specified in the Agreement of Sale. It was submitted that the actual Agreement of Sale stated a handover by August 2024 and that the Respondent was incorrectly making false statements about the agreement date being August 2023 to mislead the Hon'ble Authority.

30. It was submitted that sufficient proof had been provided showing how the builder had violated four different promised possession dates: August 2023, February 2024, February 2025, and June 2025, and that this evidence had been supported with the Form M application.

31. It was submitted that the Complainant had not been proactively and officially informed about third-party disputes. It was only when the Complainant came to know about them that the information was shared. It was argued that it was the promoter's responsibility to resolve these cases and hand over the property as per the committed date.

32. It was submitted that the Complainant had never received any proactive communication about project delays that was duly acknowledged and signed. A challenge was made for the developer to produce any such document before the Hon'ble RERA court.

33. It was submitted that as all proofs had been provided showing how the builder had missed committed handover dates, the decision on interest should be left to the RERA court as per Section 18 of the RERA Act. It was noted that the delay was more than a year, and 90% of the payment, amounting to ₹1,12,72,603/-, had been made.

34. It was submitted that as all proofs had been provided, the decision on compensation should be left to the RERA court. It was noted that Form 'N' for compensation would be filed as per the directions of RERA officials and that claims for mental agony and harassment had already been submitted in the initial filing with Form M.

35. The RERA extension until February 2026 was fully denied. It was argued that the promoter was legally obligated to pay interest and compensation as per RERA rules. It was submitted that all dues would be paid as soon as the builder completed the entire project, but before that, the builder was required to pay the interest and compensation. It was contended that the builder was unlawfully forcing payment of 100% of the amount before project completion.

36. It was stated that the reason of COVID was irrelevant and not applicable as the agreement of sale was from April 2022. It was reiterated that the delay happened from the end of 2023 onwards. Regarding the rocky site, it was argued that it was the builder's responsibility to deal with this and honour the date in the agreement.

37. It was submitted that whenever a demand letter was issued, the Complainant had completed their responsibility by disbursing the requested amount before the due date. It was argued that the entire burden of project delivery lay with the builder, irrespective of the reasons for the delay, and that the builder had not fulfilled their responsibilities.

E. Points for Consideration

38. Upon a careful perusal of the record and the submissions advanced by both parties, oral as well as written, this Authority is of the view that the following issues arise for determination in the present complaint:

1. Whether the present complaint is maintainable before this Authority?
2. Whether the Complainants are entitled to the reliefs as prayed for?

F. Observations of the Authority:

Point No. 1:

39. The Respondent has raised an objection as to the maintainability of the present complaint on the ground that the Complainants failed to first resort to the contractual dispute resolution mechanism envisaged in the Agreement of Sale, namely an amicable settlement by mutual discussion, prior to approaching this Authority.

40. The Authority finds this objection untenable for the following reasons:

The relevant Dispute Resolution clause in the Agreement of Sale is reproduced below for ready reference:

> *"33. Dispute Resolution clause in the Agreement of sale executed between the parties, the said clause stated that all or any disputes arising out ot touching upon or in relation to the terms and conditions of this Agreement, including the interpretation and validity of the terms thereof and the respective rights and obligations of the Parties, shall be settled amicably by mutual discussion, falling which the same shall be settled through adjudication officer appointed under the Act."*

41. It is clear from the above that the clause only requires the parties to attempt an amicable settlement by mutual discussion. Such a clause is at best directory and cannot oust or restrict the statutory jurisdiction of this Authority. Section 79 of the RE(R&D) Act expressly bars the jurisdiction of Civil Courts in respect of any matter which this Authority, the Adjudicating Officer, or the Appellate Tribunal is empowered to determine. Likewise, Section 88 clarifies

that the provisions of the RE(R&D) Act are in addition to, and not in derogation of, other laws. Thus, the intention of the legislature is that remedies under this beneficial legislation must remain open to allottees, irrespective of any private clause for amicable settlement.

42. Even in cases where agreements contained arbitration clauses (which is not the case here), the Hon'ble Supreme Court and the Hon'ble NCDRC have consistently held that such clauses cannot circumscribe the jurisdiction of consumer fora or statutory authorities constituted under special enactments.

43. In *National Seeds Corporation Ltd. v. M. Madhusudhan Reddy (2012) 2 SCC 506*, the Supreme Court held that remedies under special statutes are in addition to, and not in derogation of, other remedies. For ready reference, the relevant extract is reproduced below:

> **"49. Support to the above view is also lent by Section 79 of the recently enacted Real Estate (Regulation and Development) Act, 2016 (for short "the Real Estate Act"). Section 79 of the said Act reads as follows:- '79. Bar of jurisdiction - No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Authority or the adjudicating officer or the Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.' It can thus, be seen that the said provision expressly ousts the jurisdiction of the Civil Court in respect of any matter which the Real Estate Regulatory Authority, established under Subsection (1) of Section 20 or the Adjudicating Officer, appointed under Subsection (1) of Section 71, or the Real Estate Appellate Tribunal established under Section 43 of the Real Estate Act, is empowered to determine. Hence, in view of the binding dictum of the Hon'ble Supreme Court in A. Ayyaswamy (supra), the matters/disputes, which the Authorities under the Real Estate Act are empowered to decide, are non-arbitrable, notwithstanding an Arbitration Agreement between the parties to such matters, which, to a large extent, are similar to the disputes falling for resolution under the Consumer Act. 56. Consequently, we unhesitatingly reject the arguments on behalf of the Builder and hold that an Arbitration Clause in the afore-stated kind of Agreements between the Complainants and the Builder cannot circumscribe the jurisdiction of a Consumer Fora, notwithstanding the amendments made to Section 8 of the Arbitration Act."**

44. Similarly, in *Aftab Singh &Ors. v. Emaar MGF Land Ltd. &Ors. (Consumer Case No. 701 of 2015, decided on 13.07.2017)*, it was held that arbitration clauses in builder-buyer agreements cannot oust the jurisdiction of consumer fora. The said view was later upheld by the Hon'ble Supreme Court in Civil Appeal Nos. 23512–23513 of 2017. The relevant para reads:

> *"25. This Court in the series of judgments as noticed above considered the provisions of Consumer Protection Act, L986 os well as Arbitration Act, 1996 and laid down that complaint under Consumer Protection Act being a special remedy, despite there being an arbitration agreement the proceedings before Consumer Forum have to go on and no ercor committed by Consumer Forum on rejecting the application. There is reason for not interjecting proceedings under Consumer Protection Act on the strength an arbitration agreement by Act, 1996. The remedy under Consumer Protection Act is a remedy provided to a consumer when there is a defect in any goods or services. The complaint means any allegation in writing made by a complainant has also been explained in Section 2(c) of the Act. The remedy under the Consumer Protection Act is confined to complaint by consumer as defined under the Act for defect or deficiencies caused by a service provider, the cheap and a quick remedy has been provided to the consumer which is the object and purpose of the Act as noticed above."*

45. In the present matter, there is only a clause requiring amicable discussion before invoking remedies. Such a clause is directory at best, and cannot override or defeat the statutory right of the Complainant to approach this Authority under the RE(R&D) Act. Accordingly, this Authority has no hesitation in holding that the Complainant is well within its rights to approach this forum without being first compelled to pursue an amicable settlement under the Agreement. The objection of the Respondent as to maintainability is therefore rejected.

Point No. 2:

46. The Complainant has sought relief on the ground that there has been an inordinate delay in handing over possession of the subject flat, despite timely payments of approximately 90% of the total sale consideration, causing significant financial and emotional distress.

It is the case of the Complainant that the Agreement of Sale dated 22.04.2022 clearly stipulated that possession of the subject flat would be handed over by 31.08.2024, with a grace period of six months, ending on 28.02.2025. The Respondent has failed to hand over possession even as

of February 2025. Further, although the project was registered with TG RERA up to February 2025 and later extended until 07.02.2026, the project remains incomplete, with construction progress stalled at approximately 85% as per the Complainant's submission, with key aspects such as interior finishing, common amenities, and supporting infrastructure remaining unfinished. The Complainant submits that the Respondent has issued multiple revised handover schedules without providing valid justification or a clear roadmap for completion.

47. The Complainant further submits that despite assurances made, including a promise to pay compensation for delay as per RERA guidelines, no such compensation has been provided.

48. The Respondent, conversely, attributes the delay to the Covid-19 pandemic, claiming force majeure, citing the nationwide lockdown beginning March 2020, the impact on migrant labour, and consequential delays. The Respondent further cites rocky terrain at the site, third-party disputes, and typographical errors in the possession date as additional justifications.

(i) Whether the Covid-19 pandemic can be taken as a valid shield by the Respondent in the present case?

49. This Authority finds no merit in such a contention. The Agreement of Sale was executed on 22.04.2022, well after the onset and initial impact of the Covid-19 pandemic. The Respondent, being fully aware of the prevailing circumstances, nevertheless executed the Agreement by specifically assuring completion of the project by August 2024. Having consciously undertaken such commitment, the Respondent cannot now, with retrospective justification, rely on Covid-19 as a defense to escape its contractual and statutory obligations. Such conduct clearly amounts to holding out false assurances with mala fide intent.

50. It is a settled principle that once a promoter has chosen to register a project and enter into binding contractual commitments with allottees, he does so with full knowledge of the risks, constraints, and challenges of the market. At the time of entering into the Agreement of Sale with the present Complainant, the Respondent was already aware of the Covid-related disruptions, as well as the Government notifications granting moratoriums for project completion timelines. Despite this knowledge, the Respondent chose to provide a specific assurance of delivery by August 2024.

51. This Authority aligns with the observations of the Hon'ble Bombay High Court in *Neelkamal Realtors Suburban Pvt. Ltd. &Anr. vs. Union of India &Ors. [2017 SCC OnLine Bom 9302]*, wherein at para 119 it was categorically observed:

"While the proposal is submitted, the Promoter is supposed to be conscious of the consequences of getting the project registered under RERA. Having sufficient experience in the open market, the Promoter is expected to have a fair assessment of the time required for completing the project…".

52. The above dictum fortifies the principle that the promoter, being structurally at an advantageous position with respect to project information and market realities, is under a statutory duty to provide realistic timelines. The framework of the Real Estate (Regulation and Development) Act, 2016 reinforces this obligation by mandating timely completion and possession within the period stipulated in the Agreement of Sale.

53. Therefore, the plea of Covid-19 as a force majeure defence in the present case is wholly untenable. The Respondent, having executed the Agreement of Sale in April 2022 with specific possession timelines, cannot now seek to retrospectively attribute delays to the pandemic. Accordingly, this Authority holds that the reliance on Covid-19 as a shield stands rejected.

(ii) Extension of Registration

54. The Respondent has further contended that, since extensions have been granted by this Authority, the project timeline now stands extended up to February 2026, and therefore possession shall be delivered by then. The Complainants, however, have questioned the validity and effect of such extensions.

55. At the outset, it must be clarified that under the scheme of the RE(R&D) Act:

"An Act to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto."

56. The paramount objective is twofold: protection of consumer interest, and ensuring completion of projects in an efficient manner. Denial of extension during the Covid-19 disruption would have resulted in projects being stalled, to the grave prejudice of allottees. It

was in this context that this Authority, balancing the equities, granted extensions in line with the moratoriums issued by Telangana RERA:

1. 15.03.2020 to 14.09.2020 (Circular No.14 dated 13.05.2020),

2. 15.09.2020 to 15.03.2021 (Order No.15 dated 29.09.2020),

3. 15.03.2021 to 14.09.2021 (Order No.16 dated 01.06.2021).

57. Accordingly, an aggregate 18 months' extension was applied across projects to safeguard larger consumer interest. However, it is equally well settled that such regulatory extensions cannot dilute the contractual rights of individual allottees under their respective Agreements of Sale, nor can they displace the statutory rights flowing from Section 18 of the RE(R&D) Act.

58. In the present matter, it is evident that the Respondent has unilaterally revised possession timelines to February 2026 due to the extension taken without consultation or consent of the Complainants. Such unilateral revisions are impermissible. The Hon'ble Bombay High Court *in Neelkamal Realtors Suburban Pvt. Ltd. vs. Union of India &Ors. [2017 SCC OnLine Bom 9302]*, while upholding the constitutional validity of RERA, categorically observed:

> *Para 119 "The RERA does not contemplate rewriting of contract between the flat purchaser and the promoter."*
>
> *Para 256 of this Judgment further clarifies that "by giving opportunity to the promoter to prescribe fresh timeline under Section 4(2)(l)(C), he is not absolved of the liability under the agreement for sale"*

59. The above dicta makes it abundantly clear that any extension granted by the Authority, or revised timelines uploaded on the TG RERA project registration portal, do not ipso facto alter or bind the allottees' contractual rights. The agreed date of possession remains as stipulated in the Agreement for Sale, and unilateral extensions by the promoter cannot be foisted upon allottees to their detriment.

60. Accordingly, this Authority holds that the revised possession dates mentioned by the Respondent, whether while seeking extensions before the Authority or as updated on the registration portal, cannot be treated as binding on the Complainants.

(iii)Relief under Section 18 of the RE(R&D) Act:

61. It has been observed by this Authority that the total sale consideration is for an amount of Rs. 1,20,34,500/- (Rupees One Crore Twenty Lakh Thirty Four Thousand Five Hundred Only). That, as per the Agreement of Sale the Complainant has paid an amount of Rs. 25,27,245/- (Rupees Twenty Five Lakh Twenty Seven Thousand Two Hundred And Forty Five Only). However it is observed that as per the payment receipts placed before this Authority that a sum of Rs. 1,12,71,603/- (Rupees One Crore Twelve Lakh Seventy One Thousand Six Hundred And Three Only) has been duly paid by the Complainant herein towards the sale consideration. Further, the Agreement clearly stipulated possession by 31.08.2024, with a grace period of 6 months to 28.02.2025. Admittedly, possession has not been delivered.

62. The Respondent's contention that 90% work is complete and that the Complainants have paid only a portion of the consideration is wholly unsustainable. The Complainants have already paid a substantial sum towards the agreed consideration as per their averments. Despite receiving such substantial sums, the Respondent has failed to honour its contractual obligations. It is manifest that the Respondent gave false assurances, being fully conscious of the market situation, yet assuring dates of completion that it had no capacity to honour. More than one year has elapsed beyond the stipulated date, yet the project is neither complete nor possession handed over.

63. The Respondent further seeks to shift the burden on the complainant by contending that the balance amount is unpaid. This plea is untenable. The law does not permit a defaulter to take advantage of its own breach. As held by the Hon'ble Supreme Court in ***Kusheshwar Prasad Singh v. State of Bihar [Civil Appeal No. 7357 of 2000]:***

> *"It is settled principle of law that a man cannot be permitted to take undue and unfair advantage of his own wrong to gain favourable interpretation of law. It is sound principle that he, who prevents a thing from being done shall not avail himself of the non-performance he has occasioned. To put it differently, "a wrongdoer ought not to be permitted to make a profit out of his own wrong"*

64. In this context, it is pertinent to note that the Agreement of Sale linked the payment schedule to the progress of construction. While the allottees are indeed bound to adhere to the agreed payment plan, such obligation arises only when the promoter simultaneously fulfils its reciprocal obligation of executing construction in line with the assured progress. In the absence of such progress, the Respondent cannot insist upon further payments as a condition to claim relief.

65. Section 18 of the RE(R&D) Act is categorical and unconditional. It does not make the grant of interest contingent upon the quantum of sale consideration paid, nor does it provide any defence to a defaulting promoter. Once delay in handing over possession is established, an allottee who elects to remain in the project is entitled to interest for every month of delay, irrespective of whether part or whole of the consideration has been paid, provided that the payments already made are in accordance with the Agreement of Sale.

66. Now, Section 18 of the RE(R&D) Act is categorical:

> *"(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."*

67. This statutory right of allottee is unqualified and absolute. Attention is drawn to the decision of the Hon'ble Supreme Court of India in *Civil Appeal Nos. 3581-359 of 2022, Civil*

Appeal Diary No. 9796/2019, M/s Imperia Structures Limited vs. Anil Patni & Others, wherein it was 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 by the date specified in the agreement, the promoter would be liable, on demand, to return the amount received in respect of that apartment if the allottee wishes to withdraw from the project. Such a right of the allottee is 'without prejudice to any other remedy available to him'. This right is unqualified, and if availed, the deposited money must be refunded with interest as prescribed. The proviso to Section 18(1) contemplates that if the allottee does not intend to withdraw from the project, they are entitled to interest for every month of delay until possession is handed over. The allottee may proceed under Section 18(1) or the proviso thereto."*

68. Similarly, in Civil Appeal Nos. 6745-6749 of 2021, ***M/s Newtech Promoters and Developers Private Limited vs. State of UP & Others***, the Hon'ble Supreme Court observed:

> *"Section 18(1) of the Act spells out the consequences if the promoter fails to complete or is unable to give possession of an 9 of 10 apartment, plot, or building in terms of the agreement for sale. The allottee/home buyer holds an unqualified right to seek a refund of the amount with interest as prescribed."*

69. Further, as earlier observed, the Hon'ble Bombay High Court in *Neelkamal Realtors Suburban Pvt. Ltd. v. Union of India [(2017) SCC Online Bom 9302]* clarified that RERA registration or its extension cannot rewrite the contract between parties. The date assured under the Agreement of Sale, executed with the allottee's consent, shall prevail. Thus, the Respondent is bound by Section 11(4)(a) of the RE(R&D) Act, which mandates adherence to the terms of the Agreement of Sale.

70. At the same time, if the Complainant has indeed defaulted in adhering to the payment schedule, the Respondent is not without remedy. Sections 19(6) and 19(7) of the Act confer upon the promoter a right to claim interest for delayed payments, as per Rule 15 of the Telangana RE(R&D) Rules, 2017. Nevertheless, such entitlement shall be subject to the Respondent producing cogent and substantive documents demonstrating both the stage-wise progress of construction and the corresponding default, and not merely based on unilateral assertions.

71. In the present case, this Authority finds the Respondent in clear breach of both statutory and contractual obligations. The Complainant is therefore entitled to interest at the prescribed rate for the entire period of delay, i.e., from 01.03.2025 until the actual date of handing over possession. As regards claims of compensation, this Authority notes that jurisdiction for adjudicating compensation lies with the Adjudicating Officer under Section 71 of RE(R&D) Act with *Form 'N'*. The Complainant is at liberty to pursue such remedy separately.

72. Accordingly, while the Complainant is entitled to relief under Section 18 of the RE(R&D) Act, this entitlement is subject to the reciprocal statutory duty of the Complainant to discharge any outstanding amounts under the payment plan, if not already paid. Compliance on both sides is essential to ensure balance of obligations and timely delivery.

73. This Authority cannot remain oblivious to the larger pattern of violations. It is noted with grave concern that more than fifty complaints have already been received against this very Respondent in respect of the subject project. Such repeated defaults and false assurances strike at the very root of the confidence that homebuyers are entitled to repose under the protective framework of the RE(R&D) Act.

74. The Statement of Objects and Reasons of the RE(R&D) Act explicitly emphasizes "greater accountability towards consumers and to inject transparency, efficiency, and discipline in the real estate sector". The conduct of the Respondent herein is in gross derogation of that legislative mandate. If such violations are permitted to persist, the very soul of the Act would stand diluted and the protection promised to allottees rendered illusory.

75. Accordingly, this Authority hereby sternly warns the Respondent promoter that any further default, non-compliance, or failure to deliver possession within the assured statutory timelines or any fresh grievances brought to notice by allottees shall invite invocation of Section 63 of the RE(R&D) Act, 2016.

76. This Authority shall not hesitate to take the strictest view in future, for the Act was enacted not as a mere regulatory framework but as a beneficial legislation to protect innocent homebuyers from the very malaise exemplified by the conduct of this Respondent.

77. The Respondent is hereby directed to complete the project and hand over possession to the Complainants within the stipulated period. It is further clarified that if the Complainants have defaulted in making payments as per the agreed schedule, the Respondent shall be entitled

under Section 19(6) of the Act to claim interest on such delayed payments, provided that it substantiates such claim with credible documentary evidence of both construction progress and corresponding default.

78. In the event the Complainants have defaulted in making payments as per the agreed schedule, the Respondent shall be entitled, under Section 19(6) of the Real Estate (Regulation and Development) Act, 2016, to claim interest on such delayed payments in accordance with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017. Nevertheless, such entitlement shall be subject to the Respondent producing cogent and substantive documents demonstrating both the stage-wise progress of construction and the corresponding default, and not merely based on unilateral assertions.

79. The Complainants are, in turn, directed to discharge any balance amounts due under the agreed payment schedule, if not already paid. Mutual compliance is essential to ensure timely completion and delivery of the project.

G. Directions of the Authority:

80. In view of the findings and observations recorded hereinabove, this Authority proceeds to issue the following directions:

a. The preliminary objection raised by the Respondent regarding the maintainability of the complaint on account of the Dispute Resolution Clause in the Agreement of Sale stands rejected. The complaint is maintainable before this Authority.

b. The Respondent's reliance on the Covid-19 pandemic as a ground of force majeure is held untenable, since the Agreement of Sale was executed after the subsiding of the pandemic and with full knowledge of the prevailing circumstances.

c. The extension of registration taken by this Respondent cannot dilute the contractual rights of the Complainant under the Agreement of Sale. The date of possession as stipulated in the Agreement shall prevail.

d. The Respondent is held liable for failure to hand over possession of the subject flat by the agreed date i.e., 28.02.2025 (inclusive of grace period).

e. The Complainants are entitled to interest at the rate of 10.70% per annum (being SBI MCLR + 2% as per Rule 15 of the TG RE(R&D) Rules, 2017), computed on the amounts actually paid by the Complainants, with effect from 01.03.2025 until actual handing over of lawful possession. The exact computation shall be subject to verification of such payments by the Respondent at the stage of effecting payment. The

Respondent shall pay the arrears accrued up to the date of this Order within sixty (60) days, and shall thereafter continue to pay the accruing interest on a monthly basis, on or before the 10th day of each succeeding month, until possession is delivered.

f. Insofar as compensation is concerned, the Complainant is at liberty to pursue appropriate proceedings before the Learned Adjudicating Officer under "Form N".

g. The Respondent is hereby directed to complete the project forthwith and hand over possession to the Complainants within the statutory timelines.

h. The Complainants are directed to pay the balance consideration strictly in accordance with the agreed payment schedule. In the event of any default in adhering to such schedule, the Respondent shall be at liberty to claim interest on the delayed amounts, as provided under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017. However, such claim shall be substantiated by valid documentary evidence demonstrating that the default is aligned with the actual stage-wise progress of construction, and not merely on the basis of unilateral assertions.

81. Having regard to the repeated defaults and the large number of complaints already pending against this Respondent in the same project, this Authority sternly warns the Respondent that any further delay, non-compliance, or grievance brought to notice by allottees shall invite section 63 of the RE(R&D) Act.

82. The Complaint is accordingly allowed in part, in terms of the above directions.

83. Failure to comply with above said directions by the Respondent shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016

84. As a result, the Complaint is disposed of accordingly. No order as to costs.

Sd/-	**Sd/-**	**Sd/-**
Sri K. Srinivasa Rao,	**Sri Laxmi Narayana Jannu,**	**Dr. N. Satyanarayana, IAS (Retd.),**
Hon'ble Member,	**Hon'ble Member,**	**Hon'ble Chairperson,**
TG RERA	**TG RERA**	**TG RERA**