BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY
[Under the Real Estate (Regulation and Development) Act, 2016]

Complaint No. 134 of 2025
Dated: 2nd September 2025

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

Raju Burnwal
Anuradha Burnwal
(R/o 201, Block A, Cyber Ridge, Raja Rajeshwari Nagar, Kondapur Hyderabad - 500084)

…Complainants

Versus

M/s Vasavi Realtors LLP

(Rep by Designated Partner Vijay Kumar Yerram, Registered office at # 8-2-703/7/1/ and 8-2-703/7/1/a, Vasavi Corporate Building, 4th floor, Road no. 12, Banjara Hills, Hyderabad – Telangana 500034)

…Respondent

The present matter filed by the Complainant herein came up for hearing on 11.07.2025 before this Authority in presence of Complainant in person and Respondents Counsels Sri D Madhav Rao and M.K.Joy Raj; upon pursuing the material on record and on hearing arguments of the 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 "RE(R&D) Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "TG RE(R&D) Rules") seeking appropriate relief(s) against the Respondents.

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

3. The Complainant purchased a flat in March 2021 from M/s Vasavi Realtors LLP. The flat in question is Flat No. 1303, situated on the 13th Floor, Tower 1, West Wing of the project "Vasavi Lake City" at Hafeezpet. The project is registered with TG RERA under Registration No. P02500001819. As per the Agreement of Sale (AOS), the legally committed date for handover of the said flat and the entire project was August 2023. However, the Respondent

failed to deliver possession, and there was no communication from their side explaining the reason for such failure.

4. Subsequently, the next timeline communicated was February 2024, with a six-month RERA extension as per the AOS. Again, the Respondent failed to deliver and did not provide any communication explaining the delay.

5. Thereafter, the Respondent indicated another deadline of February 2025, which is the RERA deadline for the project "Vasavi Lake City" (Registration No. P02500001819). Even this commitment was not honoured, and once again, no proactive communication regarding the delay was made by the Respondent.

6. The Complainant submits that all payments demanded were made promptly, amounting to ₹70,13,030/- through bank transfers/cheques, and ₹38,09,219/- through bank loans from Axis Bank, totalling ₹1,08,22,249/-. Despite timely payment, the Complainant alleges that only ignorance and false assurances were received in return, with no delivery of the flat to date.

7. The Complainant states that repeated follow-ups were made through the Customer Relationship Manager, Mr. Rajnikanth, and through the Designated Partner, Mr. Vijay Kumar Yerram, but promises were never fulfilled. The Complainant alleges that Tower 1 of the West Wing, in which the said flat is situated, has been given least priority by the Respondent on the ground that the majority of the flats therein belong to landowners.

8. The Complainant further alleges that the entire project is progressing at a very slow pace, with intentional delays by the Respondent. The last payment was made on 04.11.2023, and thereafter hardly any progress was made. The Complainant claims severe financial hardship, as EMIs for both the existing residence and the Vasavi flat have been paid since the promised possession date of August 2023.

9. The Complainant also raises an issue of size deviation in the flat, alleging that the master bedroom balcony, child bedroom balcony, and utility area are all narrower than specified in the AOS. Specifically:

a. Master Bedroom Balcony: 5 feet promised, 4 feet delivered.
b. Child Bedroom Balcony: 5 feet promised, 4 feet delivered.
c. Utility Area: 5 feet promised, 2.5 feet delivered.

B. Reliefs / Prayers:

10. The Complainant, therefore, humbly prays that this Hon'ble Authority may be pleased to:

a) Direct the Respondent to forthwith hand over possession of the Complainant's flat together with completion and handover of the entire project, including all amenities, strictly in accordance with the terms of the Agreement of Sale;
b) Direct the Respondent to pay interest at the prescribed rate under the Real Estate (Regulation and Development) Act, 2016, for the entire period of delay in handing over possession;
c) Award compensation of ₹40,000/- (Rupees Forty Thousand Only) per month from August 2023 until the actual date of handover, towards loss of rental income allegedly suffered by the Complainant;
d) Direct the Respondent to pay a sum of ₹10,00,000/- (Rupees Ten Lakhs Only) towards compensation for the mental harassment and agony caused to the Complainant;
e) Award further compensation of ₹10,00,000/- (Rupees Ten Lakhs Only) for deviation in the size of the flat from the specifications agreed under the Agreement of Sale;

C. Reply of the Respondent:

11. The Respondent contends that the complaint is not maintainable either in law or on facts, as the Complainant has not availed dispute resolution mechanisms provided in the AOS. It is further stated that no legal notice was issued prior to filing the complaint.

12. The Respondent submits that the project "Lake City – West" is lawfully developed under registered documents with landowners for a total extent of 43,298.17 sq. yds., for which necessary permissions, including land conversion and building permits, were obtained on 07.02.2020. The project comprises Towers 1 to 7 (cellar + ground + 14 upper floors) and a clubhouse (stilt + 5 upper floors) over 40,869 sq. yds., and was registered with TG RERA on 20.03.2020 (Reg. No. P02500001819).

13. The Complainant booked Flat No. W.11303 on 22.03.2021, measuring 1,940 sq. ft. with parking, at a total consideration of ₹1,29,77,200/- as per the AOS. The Respondent was entitled to extension of the registration of the project by the Authority as per law. The construction commenced in the project and the authorities have been intimated from time to time of the progress of development. The schedule also provides for amenities

14. It was agreed that there should be no alterations to the sanctioned plan and the specifications, which are clearly mentioned in Schedules D and E. It is apparent that under Clause 1.11, the Petitioner has paid a sum of ₹27,25,212/- (Rupees Twenty-Seven Lakhs

Twenty-Five Thousand Two Hundred and Twelve only) towards the booking amount as per Schedule C, and the balance payments were also to be made as per the agreed schedule.

16. Clause 5 of the Agreement provides that the promoter shall abide by the time schedule for completing the project as disclosed at the time of registration of the project with the authority, and towards handing over the apartment and common areas to the Association, allottee, or competent authority, as the case may be. Clause 7 (Possession of the Apartment): Under Clause 7.1, the promoter agrees and understands that timely delivery of possession of the apartment to the allottee and the common areas to the Association/competent Authority is the essence of the agreement. The promoter agrees to hand over possession of the apartment, along with complete common areas and all specifications, amenities, and facilities of the project in place on or before 31 August 2023, with a grace period of six months, unless delayed due to force majeure conditions.

17. If delayed due to force majeure, the commitment period, grace period, and/or extended delay period shall stand automatically extended to the extent of delay. The allottee shall not be entitled to any compensation whatsoever, including delay compensation, during such delay. The developer is taking all steps to complete the project and deliver possession. The delay is justified as it squarely falls under force majeure.

18. Under Clause 7.2, after obtaining the occupancy certificate from the competent authority, the promoter shall offer in writing the possession of the apartment to the allottees who have paid the amounts in terms of the agreement, to be taken within 2 months from the date of issue of the occupancy certificate. Clause 9 deals with events of default and consequences. In the event of default committed by the promoter, the promoter shall be liable for consequences as mentioned in the agreement.

19. While responding to the false complaint filed before this Hon’ble Authority, the complainants have not approached with clean and fair facts but with an ulterior motive to make unlawful gain. There has been material suppression regarding the facts of the case, the claims made, and the relief sought. While admitting that there was an Agreement of Sale entered into between the complainant and the Respondent, and that its terms are not in dispute, the complainant has made false claims despite being aware of the true facts, thereby misleading this Hon’ble Authority.

20. It is to be noted that this Hon'ble Authority is aware that the country and the world over went through the COVID-19 pandemic, declared by the WHO in January 2020 as a public health emergency. India confirmed its first cases in Delhi and Telangana.

21. India declared a nationwide lockdown in March 2020 in phases. The Supreme Court of India extended timelines under the Limitation Act and other statutes in Suo Motu Writ Petition No. 3 of 2020, excluding the period 15.03.2020 to 28.02.2022. This legal position directly applies to the project timeline.

22. The LAKE CITY-WEST project was sanctioned on 07-02-2020, just days before the COVID-19 emergency. Due to lockdowns, migrant worker who formed the backbone of the construction workforce were forced to return to their villages, creating a massive labour crisis. This dislocation gravely impacted construction activities.

23. Apart from the labour crisis, various other factors also affected the project timeline. The cascading effect of these challenges was duly intimated to all customers.

24. The repeated delays alleged by the complainant are not supported by evidence. Typographical or clerical mistakes in the Agreement of Sale cannot be taken advantage of. The Agreement dated 31-08-2021 mistakenly mentioned possession by 31-08-2023, which is unrealistic for a project of this scale (Towers 1–7, G+14 floors, clubhouse, etc.), especially under force majeure conditions.

25. The complainant's allegations are baseless, unsupported by evidence, and intended only to harass the Respondent. The project is validly registered (Reg. No. P02500001819) up to 07-02-2025, with extension granted up to 07-02-2026. The project was also delayed due to third-party disputes and litigations, including:

a) RERA Case No. 190/2020

b) WP No. 2694 of 2021

c) WP No. 13898 of 2022

d) WP No. 33433 of 2023

e) WA No. 584 of 2023

f) SLP Nos. 9694–9695 of 2023

g) WP No. 26301 of 2024 (pending)

26. The developer has continuously communicated delays and informed flat buyers through meetings and letters that possession would be handed over phase-wise

27. No interest can be claimed as the delay was due to force majeure.

28. No compensation can be claimed without evidence of actual loss. The complainant has not demonstrated any rational basis for compensation.

29. The Respondent undertakes to deliver the flats on or before February 2026, as per the extension granted. More than 90% of work is completed, while the complainant has only paid 75%, leaving arrears under Schedule C

30. Once the complainant agreed that COVID-19 was a valid cause for delay, no exceptional reason exists to claim compensation. Further, manual excavation of rocky site conditions compounded difficulties and caused unavoidable delay.

31. The complainant is not entitled to any relief as the causes for late delivery were beyond the Respondent's control

32. The complaint is false, preposterous, and without foundation. It deserves to be dismissed in the interest of justice, allowing the Respondent to complete and deliver the project within the extended timeline.

D. Rejoinder:

33. At the outset, the Complainants categorically deny each and every averment, contention, and allegation made by the Respondent in its reply, except those specifically admitted herein. Any statement contrary to record, unsupported by evidence, or intended to mislead this Hon'ble Authority is specifically denied. The present complaint is fully maintainable in law and on facts, being supported by documentary proof of the Respondent's repeated breaches of the Agreement for Sale ("AOS") and the Real Estate (Regulation and Development) Act, 2016.

34. The Respondent's preliminary objection regarding non-adherence to contractual dispute resolution mechanisms is untenable. The cause of action arises solely from the Respondent's persistent and inordinate delay in handing over possession, in breach of the AOS and statutory timelines disclosed at the time of RERA registration. Such breach clearly falls within the jurisdiction of this Hon'ble Authority under Sections 12, 18 and 31 of the RE(R&D) Act. Resorting to contractual pre-dispute mechanisms is neither a statutory pre-condition nor does it oust this Authority's jurisdiction.

35. The Respondent's plea that no legal notice was served prior to filing the complaint is baseless. On several occasions, both in writing and in person, the Complainants duly intimated the Respondent of its failure to adhere to promised possession timelines. Despite repeated communications, the Respondent failed to provide a concrete solution, offering only false

assurances. This compelled the Complainants to approach this Hon'ble Authority as the only effective recourse.

36. The Respondent's narrative regarding land acquisition, approvals from GHMC, or project registration particulars is irrelevant. These facts are not in dispute but have no bearing on the central issue, namely, the Respondent's failure to honour the committed possession date under the AOS.

37. Likewise, the recitation of booking particulars, consideration amounts, carpet area, and payment schedule is not disputed. However, these submissions are diversionary. The undisputed fact remains that despite receipt of substantial consideration of approximately ₹1,08,22,249/- by 4 November 2023, the Respondent failed to deliver possession of Tower-1 as assured.

38. The Respondent's claim of having periodically intimated allottees of progress and revised timelines is expressly denied. No such proactive or formal intimation was given to the Complainants despite four successive possession deadlines August 2023, February 2024, February 2025, and June 2025 having lapsed. Such conduct amounts to gross deficiency in service and unfair trade practice under the RE(R&D) Act.

39. The Respondent's reliance on Clause 7 (Possession) and invocation of Force Majeure is wholly misconceived. The pandemic ended well before the possession date of 31 August 2023. The last payment was made by the Complainants in November 2023, much after COVID-related restrictions had ceased. The Respondent has failed to establish any causal nexus between the pandemic and the present delay. The plea of Force Majeure is a smokescreen to evade statutory liability under Section 18.

40. The allegations that the Complainants have approached this Authority with "ulterior motives" or suppressed facts are baseless and defamatory. All relevant documents AOS, payment receipts, and correspondence have been furnished. On the contrary, it is the Respondent who has suppressed the true construction status and misled allottees regarding realistic timelines.

41. The Respondent's extensive reliance on COVID-19, migrant labour crisis, or Supreme Court orders on limitation is irrelevant. The AOS itself was executed on 31.08.2021 well after

the subsidence of the pandemic committing to a possession date of 31.08.2023. The delay extending into 2025 is solely attributable to Respondent's inefficiency, diversion of resources, and lack of planning.

42. The vague plea of "additional factors" and "cascading effects" has been made without evidence. No credible documentary proof has been produced. Such bald averments cannot justify breach of statutory obligations.

43. The Respondent's suggestion that labour crisis and cascading effects were duly intimated to customers is false. No such communication was received by the Complainants. In fact, despite payment of 80% of the total consideration by November 2023, the Respondent failed to complete Tower-1. Clearly, the invocation of COVID-19 is only an afterthought to cover mala fide delay.

44. These assertions are nothing but unfounded and untenable excuses. The Respondents have never intimated us regarding any such delays. The plea of COVID-19 is being used merely as a convenient loophole to mask their mala fide intentions of extracting 80% of the total consideration without completing the project. My payment of 80% was completed in November 2023; since then, no completion of Tower 1 has taken place. Where was COVID-19 at that time? This clearly demonstrates a premeditated and wrongful intent to misappropriate customers' hard-earned money, thereby subjecting us to continuous mental harassment and financial loss on account of interest and EMIs being paid every month.

45. The Respondent has claimed that the possession date of 31.08.2023 in the AOS is a clerical error. This contention is frivolous. An agreement drafted and executed by an experienced developer cannot be brushed aside as a mere "typographical mistake." The Respondent cannot now disown its own contractual commitment.

46. The Respondent's assertion that the project registration has validity until February 2026 is irrelevant. What is material is the specific possession date promised to the Complainants under the AOS, which has been breached repeatedly August 2023, February 2024, February 2025, and June 2025.

47. The Respondent seeks to rely on pendency of third-party disputes to explain delay. The Complainants were not privy to such disputes. In any case, it is the Respondent's obligation to resolve external disputes without prejudicing allottees' rights. The Complainants have already

tolerated over two years of delay beyond the original date. Possession of the subject flat, along with amenities, must now be handed over forthwith with interest and compensation.

48. The Respondent's claim that communications about phase-wise delivery were sent to allottees is false. The Complainants have not received any such acknowledged communication. If such documents exist, let the Respondent produce them before this Hon'ble Authority

49. The Respondent has denied diversion of funds and execution of unregistered side agreements. The Complainants submit that such matters are within the exclusive knowledge of the Respondent. If the Respondent asserts compliance, it must produce complete financial statements, fund flow records, and details of agreements before this Authority

50. The Respondent's denial of avoiding meetings and refusal to address grievances is incorrect. The Complainants maintain that despite repeated follow-ups, their grievances have not been addressed

51. The Respondent's general assertion of compliance with the Act, quarterly updates, and statutory obligations is unsubstantiated. The reality is that possession deadlines have been breached multiple times, and no justifiable force majeure exists.

E. Points for Consideration:

52. 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 1:

53. 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.

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

55. 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.*

56. 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.

57. 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.

58. 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.

59. 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 Sub-section (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."**

60. 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."

61. 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: Delay in Possession

62. The Complainant has sought relief on the ground that there has been an inordinate delay in handing over of possession of the subject flat.

63. It is the case of the Complainant that the Agreement of Sale dated 31.08.2021, executed between the parties, clearly stipulated that possession of the subject flat would be handed over by 31.08.2023, with a grace period of six months, ending on 28.02.2024. The Respondent has failed to hand over possession even as on date. Further, although the project was registered with TG RERA up to February 2025 and later extended until February 2026, the project remains incomplete.

64. The Complainant submits that the Respondent has repeatedly given false assurances of completion, while allottees continue to suffer. 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.

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

65. This Authority finds no merit in such a contention. The Agreement of Sale was admittedly executed on 31.08.2021, much after the onset and near subsiding of the Covid-19 pandemic. The Respondent, being fully aware of the prevailing global circumstances, nevertheless executed the Agreement by specifically assuring completion of the project by August 2023 with the grace period of 6 months i.e by 28.02.2024. Having consciously undertaken such commitment, the Respondent cannot now, with retrospective justification, rely on Covid-19 as a defence to escape its contractual and statutory obligations. Such conduct clearly amounts to holding out false assurances with mala fide intent.

66. 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 2023 with grace period of 6 months i.e 28.02.2024.

67. 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…".

68. 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.

69. 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 August 2021 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

70. 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.

71. 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."

72. 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 notifications issued by theTelangana 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).

73. 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.

74. In the present matter, it is evident that the Respondent has unilaterally revised possession timelines first to February 2024, and thereafter 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"*

75. 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.

76. 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:

77. It is not in dispute that the Complainant has paid about ₹1,08,22,249/- out of the total sale consideration of ₹1,29,77,200/-, diligently and without default. The Agreement clearly stipulated possession by 31.08.2023, with grace period of 6 months to 28.02.2024. Admittedly, possession has not been delivered.

78. The Respondent's contention that 90% work is complete and that the complainant has paid only 75% consideration is wholly unsustainable. The complainant has already paid more than a crore approximately 80–90% of the agreed consideration. 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 time have elapsed beyond the stipulated date, yet the project is neither complete nor possession handed over.

79. 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.*

80. Therefore, the contention that the complainant has not paid the total balance is rejected. A promoter in default cannot compel an allottee to keep paying indefinitely, especially when no tangible progress exists and timelines are unilaterally extended to cover its own deficiencies..

81. 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.

82. 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."*

83. Similarly, in ***Civil Appeal Nos. 6745-6749 of 2021, M/s Newtech Promoters and Developers Private Limited vs. State of UP & Other*s**, 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."

84. 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.

85. Accordingly, this Authority finds the Respondent to be in clear breach of both statutory and contractual obligations. The Complainant is entitled to relief under Section 18 of the RE(R&D)Act. Specifically, the Complainant shall be paid interest at the prescribed rate for the entire period of delay from 28.02.2024 until the actual handing over of possession. As regards compensation, jurisdiction lies with the Adjudicating Officer under Form N, and the Complainant may seek such relief separately. *Point 2 answered accordingly.*

86. 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.

87. 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.

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

89. 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.

90. The Respondent is hereby directed to complete the project and hand over possession to the Complainants within the stipulated period. The Authority has also taken note of the contention of the Respondent that the Complainants did not adhere to the payment schedule, which was linked to the progress of construction. However, it is observed that the Respondent has failed to produce any documentary evidence showing that reminder notices or formal demands were issued to the Complainants in this regard.

91. It is clarified that 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.

92. At the same time, the Complainants are equally bound by their statutory obligations under Section 19(7) of the RE(R&D) Act. Accordingly, the Complainants are directed to make payment of any balance amount due under the agreed payment schedule, if not already discharged. The duty to adhere to the payment plan rests with both parties, and compliance is essential to ensure timely completion and delivery of the project.

G. Directions of the Authority:

93. 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., 28.02.2024 (inclusive of grace period).
e. The Complainants are entitled to interest at the rate of 10.85% per annum (being SBI MCLR + 2% as per Rule 15 of the TG RE(R&D) Rules, 2017), computed on the amounts paid, with effect from 01.03.2024 until actual handing over of lawful possession. 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

94. 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 proceedings under Sections 63 of the RE(R&D) Act.

95. The complaint is accordingly allowed in part, in terms of the above directions.

96. 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

97. As a result, the complaint is disposed of accordingly. No order as to costs.

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