

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 135 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

Venkata Satya Naga Sudheer Kurapati

(R/o H.no-121, Flat no. G-11, Block C1, Sri Hemadurga Towers, Miyapur, Hyderabad - 500049)

...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 booked a residential flat, Flat No. 31101, Tower-3, West Block, Vasavi Lake City Project (RERA No. P02500001819), on 16.01.2021, relying on the builder's advertisements, website information, and assurances from the marketing team.

4. It is submitted that, as per the understanding, the Complainant paid 80% of the total consideration amount (excluding taxes, corpus, and maintenance fund) within 40 days from the

date of booking. The remaining 20% was agreed to be paid at the time of possession. An Agreement of Sale was executed on 12.03.2021.

5. The builder, Mr. Yerram Vijay Kumar, assured the Complainant that possession would be delivered by August 2023, and even before the committed deadline. It is further stated that, between the booking and execution of the Agreement of Sale, the flat allocation was changed from Flat No. 31201 to 31101.

6. Despite such assurances, the project has suffered continuous delays. As on February 2025, possession has not been handed over. The Complainant submits that repeated enquiries resulted only in false assurances and shifting deadlines, without any tangible progress.

7. As of January 2025, the project stands only 60–70% completed, with no substantial work undertaken in the last 18 months. Interior finishing, common amenities, and infrastructure works remain incomplete.

8. The Complainant submits that the conduct of the builder amounts to violation of the provisions of the RE(R&D) Act, 2016, in particular Sections 3, 4, and 18, as the builder has failed to adhere to the committed timelines despite having collected a substantial portion of the sale consideration.

9. It is alleged that such delay has caused the Complainant severe financial strain, emotional distress, and disruption to personal and professional plans. Hence, the present complaint is filed seeking appropriate reliefs.

B. Reliefs / Prayers

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

- a) Direct the Respondent (Builder) to complete the construction and hand over possession of the subject flat at the earliest, by fixing a definite and enforceable timeline, and in case of failure, to impose strict penalties on the builder.
- b) Award interest on the total amount paid by the Complainant, in terms of Section 18 of the RE(R&D) Act, from the promised possession date of August 2023 until the actual date of handover.

- c) Grant compensation for mental harassment, inconvenience, and financial loss suffered due to the prolonged delay, false assurances, and lack of transparency on the part of the builder.
- d) Pass such other and further orders as this Hon'ble Authority may deem fit and proper in the circumstances of the case.

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.31101 on 16.01.2021, measuring 1260 sq. ft. with parking, at a total consideration of ₹70,79,100/- 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 ₹57,45,000/- (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. Application filed is not maintainable either in law or on facts and same is liable to be dismissed. Such of those allegations which are not admitted are hereby denied: This objection is vague and legally unfounded. The complaint is filed under Section 31 of the RE(R&D) Act, which grants an aggrieved allottee an explicit statutory right to seek relief before this Hon'ble Authority. The Agreement of Sale dated 12th March 2021 clearly stipulates the possession date as 31st August 2023, which the Respondent has failed to meet. The complaint is well within legal bounds and deserves full consideration.

34. The application is not maintainable for the reasons that the applicant, as per the agreement, has not availed methods as provided in the agreement in the event of any dispute between the parties. Therefore, the application is liable to be dismissed: This contention is misconceived and devoid of merit. The Respondent's reliance on internal dispute resolution mechanisms in the Agreement of Sale is irrelevant and legally unsustainable. Section 31 of the RE(R&D) Act grants the Complainant, as an aggrieved allottee, an absolute statutory right to approach this Hon'ble Authority for redressal of grievances, including delay in possession and deficiency in services. The jurisdiction of RERA is not ousted by arbitration or alternative clauses in private agreements. The Complainant made repeated attempts to resolve the issue with the Respondent, met with avoidance tactics, such as citing hospitalization, unavailability of leadership, and busy schedules. The CRM team deflected responsibility, stating they were unauthorized to discuss possession timelines, creating an endless loop of blame-shifting. This objection is baseless and reflective of the Respondent's failure to engage constructively.

35. The applicant has not issued any legal notice before filing this complaint; therefore, on this ground also, the application is liable to be dismissed: There is no legal mandate under the RE(R&D) Act to issue a prior legal notice before filing a complaint under Section 31. The Complainant has adhered to the law, and this ground is irrelevant and an attempt to delay proceedings.

36. Respondent has agreed to develop the project LAKE CITY-WEST and has obtained the rights lawfully from the owners under registered documents whereby the landowners have entrusted the Respondent with a total land admeasuring 43,298.17 sq. yds., which land is utilized for developing a residential project named LAKE CITY WEST, hereinafter called the "Project," after obtaining the relevant requisite documents from the landowners. The Respondents have made arrangements to obtain the requisite permissions as envisaged under law: The Complainant does not dispute the Respondent's development rights. The issue lies in the Respondent's failure to deliver possession on time as per contractual obligations, despite holding such rights.

37. The Respondent has obtained permission to convert the land and also obtained the building permission for construction of multi-storied residential apartments dated 7th February 2020. The project consists of Towers 1 to 7 consisting of cellars plus ground + 14 upper floors, clubhouse consisting of one stilt + 5 upper floors. The total land for the project is 40,869 sq. yds: While approvals are acknowledged, they do not excuse the Respondent from failing to deliver possession within the agreed timeline. Having permission does not discharge the legal responsibility of timely execution and handover.

38. After having obtained the permission from the authorities, the project was registered with the authority vide registration no: P02500001819 dated 20th March 2020: While the project's RERA registration is acknowledged, the Respondent has grossly failed to abide by the obligations accompanying such registration. Merely obtaining registration does not absolve the promoter from adhering to statutory duties under the RE(R&D) Act, particularly timely possession, transparency, and fair dealing. The Respondent's post-registration conduct shows disregard for these regulations through failure to update project status transparently, non-disclosure of realistic possession timelines, and lack of accountability. The tone and content of the Respondent's reply demonstrate a lack of respect for this Hon'ble Authority and the RERA framework. The Complainant urges this Hon'ble Bench to take serious note of this pattern of non-compliance and misrepresentation.

39. The applicant was allotted an apartment in the project vide booking dated 16-01-2021 and was allotted apartment number W.31101, on the 11th floor in block/Tower no: 3, having an area of 1915 sq.ft. along with parking as permissible under law. As per the Agreement of Sale, the carpet area of the scheduled apartment is 1260 sq.ft., exclusive veranda balcony area is 168 sq.ft., with an interest in the common area of 487 sq.ft., with an undivided right and interest in the scheduled project land of 51 sq. yds. The total consideration agreed under the Agreement of Sale is Rs. 70,79,100/- (Rupees Seventy Lakhs Seventy Nine Thousand One Hundred only). The Agreement provides for the schedule apartment, which deals with area schedule B in the plan. Schedule C is the terms and conditions of the payment accepted by the parties: The Respondent's emphasis on the booking date of 16-01-2021 is irrelevant. The Agreement of Sale dated 12th March 2021 is the binding document governing rights, obligations, and timelines, including the possession commitment of 31st August 2023. The Complainant has paid Rs. 57,45,000/- in line with Schedule C, with the balance due only at handover, which has not occurred. There is no default by the Complainant, and the Respondent's suggestion to the contrary is misleading. The Respondent fails to address the core issue of inordinate delay, and the Complainant is entitled to remedies under Section 18(1) of the RE(R&D) Act.

40. The Respondent was entitled to an extension of the registration of the project by the Authority as per law based on the reasons. The construction commenced in the project, and the authorities have been intimated from time to time periodically of the development in the project schedule, which also provides for the amenities: The Respondent's reliance on a RERA extension is legally flawed. The possession date of 31st August 2023, as per the Agreement of Sale, prevails for assessing delay, irrespective of regulatory extensions. Section 19(2) of the RE(R&D) Act entitles the allottee to possession as per the Agreement. Updates to the Authority must be transparently reflected to allottees, which the Respondent failed to do. The proposed delivery date of February 2026, 2.5 years beyond the agreed timeline, renders the contract meaningless and violates RERA's protective framework. The Respondent must be held accountable under Sections 18 and 19.

41. It was agreed that there should be no alterations to the sanction plan and the specifications, which are clearly mentioned in Schedule D and E. It is apparent as per clause no: 1.11, the petitioner has paid a sum of Rs. 57,45,000/- (Rupees Fifty Seven Lakhs Forty Five Thousand only) towards the booking amount as per Schedule C, and the balance payments to be paid were also provided to be paid as per the schedule: The Complainant acknowledges the payment of Rs.

57,45,000/- as per Clause 1.11. The Respondent's focus on Schedules D and E is irrelevant to the complaint, which pertains to delay in possession, not alterations. There is no payment default by the Complainant, as the balance is due only at handover. The Respondent's failure to deliver possession by 31st August 2023, despite receiving 81% of the consideration, entitles the Complainant to relief under Section 18.

41. Clause no: 5 of the Agreement provides 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 to the allottee and the common areas to the Association or competent authority, as the case may be. **CLAUSE NO: 7 POSSESSION OF THE APARTMENT** under clause no: 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 or the competent authority, as the case may be, is the essence of the Agreement. The promoter agrees to hand over possession of the apartment, along with ready and complete common areas with all specifications, amenities, and facilities of the project in place on or before 31 August 2023, and six months of period, unless there is delay or failure due to force majeure conditions. Apartment if delayed due to force majeure as mentioned herein, the Commitment Period and/or the Grace Period and/or the Extended Delay Period, as the case may be, shall stand extended automatically to the extent of the delay caused under the force majeure circumstances. The allottee shall not be entitled to any compensation whatsoever, including Delay Compensation for the period of such delay by virtue of law. Developer is taking all steps to complete the project and deliver for which it is mentioned hereunder the date. Delay is being justified for reasons which squarely fall under force majeure: The Respondent selectively cites clauses while ignoring their binding obligation to deliver possession by 31st August 2023, as per Clause 7.1. Even with the six-month grace period, the delay extends well beyond February 2025, rendering the force majeure claim untenable. The Agreement was signed on 12th March 2021, post-COVID-19 lockdowns, when the Respondent was aware of all circumstances. Force majeure cannot override Section 18(1) of the RE(R&D) Act, which entitles the allottee to interest for delays. The Respondent has provided no evidence of force majeure invocation, timely notification, or mitigation efforts. The Complainant submits that the delay is unjustified, and the Respondent is liable under the RE(R&D) Act.

42. Under clause no: 7.2, the procedure for taking possession, the promoter, after obtaining the occupancy certificate from the competent authority, shall offer in writing the portion of the

apartment to the allottees who paid all the amount in terms of the Agreement to be taken within 2 months from the date of issue of the occupancy certificate by the authorities. Clause no: 9 deals with events of default and consequences in the event of any default committed by the promoter; the promoter shall be liable to consequences as mentioned in the Agreement: The Respondent's reliance on Clause 7.2 is misplaced, as no occupancy certificate (OC) has been obtained or communicated to the Complainant, nullifying this clause's applicability. Clause 9, addressing promoter defaults, is triggered by the Respondent's breach of the possession timeline under Clause 7.1. The Complainant has fulfilled all payment obligations, and the delay lies solely with the Respondent. The Hon'ble Authority is urged to enforce remedies under Section 18(1) for interest and other appropriate directions.

43. While responding to the false complaint filed before this Hon'ble Authority, the complainants have not come with full clean fair with facts but with an ulterior motive to make unlawful gain. There has been material suppression with regard to the facts of the case with regard to the claim that has been made and the relief that has been sought from this Hon'ble Authority, while admitting that there has been an Agreement of Sale that it entered into between the complainant and respondent. Similarly, the terms and conditions of the Agreement for Sale have been mentioned clearly is not in dispute. While not disputing the terms & conditions of the Agreement, the complainant has before this Hon'ble Authority making certain false claims, in spite of being aware of the same and trying to mislead and suppress some very basic and fundamental issues that are involved in this particular case: The Complainant categorically denies the Respondent's baseless and defamatory allegations. The complaint is grounded in the Agreement of Sale, payment receipts, correspondence, and documented delays, all submitted to this Hon'ble Authority. The Respondent's failure to deliver possession by 31st August 2023 is undisputed. Accusing the Complainant of ulterior motives is a diversionary tactic to malign a legitimate grievance. Approaching this Hon'ble Authority is a statutory right under RERA, and the Respondent's remarks are contemptuous and reflect disregard for due process. The Complainant urges the Authority to treat these statements seriously and hold the Respondent accountable.

44. It is required to be noticed that the Hon'ble Authority is very well aware of the fact that the country and the world over has gone through a medical emergency called COVID-19 where different symptoms of unusual pneumonia-like illness started and took a heavy toll on human life, and it was in January 2020, the World Health Organization declared the COVID-19 outbreak

as a public health emergency of international concern. Following the widespread outbreak of the disease, the Government of India at that time was no exception and confirmed that there have been two cases in India in the national capital city of Delhi and another in Telangana State: The Respondent's reliance on COVID-19 is misleading. The Agreement was executed on 12th March 2021, post-lockdowns, when the Respondent committed to possession by 31st August 2023 with full knowledge of the pandemic. The delay from 2023 to 2025 cannot be attributed to COVID-19, as the real estate sector had stabilized by 2023. This is a convenient scapegoat, and the Respondent must be held accountable under Section 18(1) for the unjustified delay.

45. Multiple cases were reported from different countries, and India declared a nationwide lockdown in March 2020 in a phased manner; the country was in complete lockdown from March 2020 and went on to be locked down as the entire world suffered on account of COVID-19. Cases started increasing; vaccinations have been put in place by the government. The Hon'ble Supreme Court had extended the timeline for cases under the Limitation Act in SUO MOTU WRIT PETITION NO. 3 OF 2020. It is further clarified that the period from 15.03.2020 till 28.02.2022 shall also stand excluded in computing the periods prescribed under various laws: The Supreme Court's extensions under SUO MOTU WRIT PETITION NO. 3 OF 2020 apply to limitation periods for legal proceedings, not contractual obligations under the RE(R&D) Act. The Agreement was executed post-lockdown on 12th March 2021, and the Respondent's commitment to deliver by 31st August 2023 was made with full awareness of the situation. These extensions are irrelevant to the Respondent's failure to meet contractual and statutory duties under RERA.

46. Now with reference to the case on hand, it is pertinent to submit that project LAKE CITY-WEST was sanctioned by GHMC for construction on 07-02-2020, a few days before COVID-19 was declared a national medical emergency. As mentioned in the preceding para, COVID-19 had its impact on building construction as most of the labour used in building were migrants who moved back home due to the lockdown: The Respondent's claim that labour migration due to COVID-19 caused the delay is inapplicable, as the Complainant's unit in Tower 3 was structurally completed over 18 months ago. No meaningful progress has been made since, indicating mismanagement, not labour shortages. No documentary evidence of timely communication to allottees about such delays has been provided. The Respondent's reliance on COVID-19 is a post-facto excuse, and they must be held accountable under Sections 11 and 18(1).

47. Respondents have various additional factors apart from the labour force totally leaving the project site for a good period of time, which had a cascading effect on the complete project, which has totally affected timelines planned by the construction team, which again was intimated to all customers from time to time: The Respondent's vague reference to "additional factors" and "cascading effects" lacks specificity and evidence. Claims of 90% completion and issued demand notes are unsubstantiated, as no possession has been offered. The Complainant received no proactive communication, only responses after persistent follow-ups. The delay, despite 81% payment and structural completion, reflects negligence and warrants relief under Section 18(1).

48. Repeated delays as alleged by the Complainant are not based on evidence compared to the Respondent's claim, which is based on evidence. Some clerical & typo mistakes in the Agreement of Sale need to be ignored as the staff have not properly verified documents while executing the same, leading to false claims or taking advantage of the same, which is not proper in law, inasmuch as the Agreement of Sale dated 12-03-2021 declares that possession will be delivered on 31-08-2023, which is a mistake as no project of this magnitude could be completed, which was inflicted by force majeure conditions: The Respondent's claim that the possession date in the Agreement was a "clerical mistake" is alarming and self-incriminating, indicating a breakdown in internal processes and a reckless approach to binding contracts. The Agreement was freely signed, and no correction was raised until this complaint. Claiming the timeline was unrealistic suggests misrepresentation to secure bookings. Force majeure is inapplicable, as previously argued, and the Respondent must be held accountable for breach and misrepresentation.

49. Complainant's allegations are factually baseless, not supported by any evidence; they are made only to harass this Respondent to claim damages. This Hon'ble Authority registered project vide registration no: P02500001819 dated 20 March 2020, valid up to 07-02-2025, for which we sought extension granted up to 07-02-2026: The Complainant has submitted extensive evidence, including the Agreement, payment receipts, correspondence, and documented delays. The Respondent's accusation of harassment is baseless and defamatory. The RERA extension to February 2026 does not override the contractual possession date under Section 19(2). The Respondent's failure to deliver entitles the Complainant to relief under Section 18(1).

50. We also brought to the notice of allottees some disputes filed by a third party were contested, almost all disposed except two, which also affected the project and caused delay. Following are the cases filed: 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 NO.9694-9695 OF 2023, g) WP NO.26301 OF 2024 (Pending): Third-party litigation cannot justify delay, as the Respondent is responsible under Section 11(3)(a) to ensure the project is free of encumbrances. No proactive disclosure of these cases or their impact on timelines was made to the Complainant. The Agreement contains no clause making delivery conditional on litigation outcomes. The Respondent's failure to mitigate these risks cannot penalize the Complainant, and relief under RERA is warranted.

51. Developer sent communications indicating the delay in completing the project; flat buyers were informed that every action is being put in place to complete the project and deliver as soon as possible in a phased manner: The Respondent has not produced evidence of proactive, written communication disclosing delays. Minutes of meetings were shared only after buyer follow-ups, with revised timelines repeatedly dishonoured. This reflects a calculated approach to deflect pressure. The Complainant's pursuit of relief under RERA is reasonable and justified.

52. There can be no interest claimed for the delay of the project as the facts put before the Hon'ble Authority are just and reasonable, and no material facts have been suppressed by the Respondents. The explanation to Section 6 states that "force majeure" shall mean a case of war, flood, drought, fire, cyclone, earthquake, or any other calamity caused by nature affecting the regular development of the real estate project: The Complainant seeks interest under Section 18(1), which mandates interest for every month of delay. The Agreement was signed post-COVID-19 lockdowns, and the delay from 2023 to 2025 cannot be attributed to force majeure. The Respondent's claim is legally inapplicable, and the Complainant is entitled to statutory interest.

53. There can be no compensation claimed for loss or injury or for mental agony and physical harassment as alleged. The Complainant has to show evidence of suffering, which is missing. Compensation cannot be claimed arbitrarily; a rational basis must be demonstrated: The Respondent's insensitivity to the Complainant's mental agony, logistical hardship, and financial burden is evident. The delay has caused significant distress, substantiated by documented follow-ups and broken promises. Compensation under RERA is justified for the Respondent's deliberate delay.

54. The Respondent shall deliver constructed flats on or before February 2026, as per the extension granted by this Hon'ble Authority. More than 90% of the work is completed, but the

Complainant has paid only 75% and is in arrears under Schedule C: The Complainant has paid 81% (Rs. 57,45,000/-), not 75%, as per Schedule C, with the balance due at handover. The Respondent's claim of 90% completion is unsubstantiated, as no possession has been offered. The extension to February 2026 does not override the contractual date of 31st August 2023 under Section 19(2). The Respondent's rocky site excuse lacks evidence and was not communicated timely. The Complainant is entitled to relief under Section 18(1).

55. the Complainant reiterates that any additional claims by the Respondent lacking evidence or specificity are baseless. The focus remains on the delay and statutory entitlements under RERA.

56. Looked from all aspects, the complaint is preposterous, false, bereft of any foundation to seek any relief, and therefore liable to be dismissed for detailed reasons stated with an undertaking by the Respondent that every effort is being put to deliver the flat to all allottees irrespective of any complaint filed or otherwise. Respondent has acquired a good name in the realty sector, delivered projects time-bound, with no complaint before any forum till date except this batch: The Respondent's denial of liability disregards the binding Agreement of Sale and RERA's statutory safeguards. The Complainant never agreed to extensions, and the Respondent's claim of uncontrollable delays is refuted by the lack of formal force majeure notices, the structural completion of Tower 3, and repeated unfulfilled promises. Denying relief would undermine RERA's purpose. The Complainant prays for interest under Section 18(1) and other appropriate directions.

57. The Complainant respectfully prays that this Hon'ble Authority:

1. Direct the Respondent to pay interest for every month of delay from 31st August 2023 until possession is handed over, as per Section 18(1) of the RE(R&D) Act.
2. Grant compensation for the mental agony, logistical hardship, and financial burden caused by the delay.
3. Pass any other orders deemed just and proper in the interest of justice.

E. Points for Consideration:

58. 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?

Whether the Complainants are entitled to the reliefs as prayed for?

F. Observations of the Authority:

Point 1:

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

60. 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 of 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, failing which the same shall be settled through adjudication officer appointed under the Act.

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.

61. 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.

62. 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.

63. 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. ”**

64. 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, 1986 as 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 error committed by Consumer Forum on rejecting the application. There is reason for not interjecting proceedings under Consumer Protection Act on the strength of 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."

65. 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

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

67. It is the case of the Complainant that the Agreement of Sale dated 12.03.2021, 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.

68. 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?

69. This Authority finds no merit in such a contention. The Agreement of Sale was admittedly executed on 12.03.2021, 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 28.02.2024. 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.

70. 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 the grace period of 6 months i.e 28.02.2024.

71. 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..."

72. 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.

73. 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

74. 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.

75. 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.”

76. 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 the 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).

77. 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.

78. 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”

79. 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.

80. 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:

81. It is not in dispute that the Complainant has paid about ₹57,45,000/- 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.

82. 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 approximately 70–80% 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.

83. 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.

84. 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..

85. 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.

86. 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."

87. 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."

88. 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.

89. 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.*

90. 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.

91. 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.

92. 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 Section 63 of the said RE(R&D) Act.

93. 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.

94. 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.

95. 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(7) and 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.

96. 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:

97. 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.

98. 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.

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

100. 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

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

Sd/-
Sri. K. Srinivas Rao,
Hon'ble Member
TG RERA

Sd/-
Sri. Laxmi NaryanaJannu,
Hon'ble Member
TG RERA

Sd/-
Dr. N. Satyanarayana, IAS (Retd.),
Hon'ble Chairperson
TG RERA

