

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**Complaint No. 154/2025/TG RERA**

**Dated: 2<sup>nd</sup> 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**

**Mr. Subramanya Sarma Neralla**

*(Flat No, 105, Block-A, Sri Sairam Towers,  
Old Hafeezpet, Near Alwyn Cross Road,  
Miyapur, Telangana, Pin No. 500049.)*

**...Complainant**

**Versus**

**M/s. Vasavi Realtor LLP,**

*(Rep by its Designated Partner, Vijay Kumar Yerram & Kandey Ramesh,  
Vasavi Corporate,  
H.No.8-2-703/7/1 and 8-2-703/7/1/A,  
4<sup>th</sup> Floor, Vasavi Corporate Building, Amrutha Valley Apartments,  
Road No. 12, Banjara Hills, Hyderabad, Telangana – 500034)*

**...Respondent**

The present matter file 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. It was submitted that the Complainant, Sri Subrahmanya Sarma Neralla, had booked a flat, identified as Unit WT030407, in the project “VASAVI LAKE CITY - WEST WING” on

3rd July 2020. It was stated that an Agreement for Sale was subsequently executed on 30th August 2021, and the Complainant had paid a total consideration of Rs. 80,91,357/- (Rupees Eighty Lakhs Ninety-One Thousand Three Hundred and Fifty-Seven Only).

4. It was further submitted that pursuant to the terms of the said Agreement for Sale, possession of the flat was to be handed over by August 2023, with an additional grace period of six months. It was contended that the Respondent had failed to deliver possession of the unit within the stipulated timeline.

5. It was alleged that despite repeated requests and follow-ups, the Respondent had failed to provide a concrete timeline for the completion and handover of the project. It was stated that the construction work at the site had been stalled or significantly delayed, and the Respondent had provided only vague and misleading updates regarding the progress, failing to communicate the reasons for the delay in a transparent manner.

6. It was further contended that the Respondent had attempted to revise the possession date on multiple occasions without providing any valid justification and that the amenities promised as part of the project were not being constructed. It was submitted that this delay had caused the Complainant significant financial and emotional distress, as they had invested their hard-earned money and were burdened with paying Equated Monthly Instalments (EMIs) to banking institutions.

7. It was also submitted that a difference in the dimensions of the rooms from what was agreed upon had been observed.

### ***B. Reliefs Sought***

8. Accordingly, the Complainant sought the following reliefs:

- i. To direct the Respondent, Vasavi Group, to forthwith complete all pending works and hand over immediate possession of the flat bearing number WT030407, situated in the project 'Vasavi Lake City - West Wing', to the Complainant, within a specific and enforceable timeline to be determined by this Honourable Authority.
- ii. To direct the Respondent to pay interest for the period of delay, calculated from the promised date of possession until the actual date of handover, at such rate as prescribed under the provisions of the Real Estate (Regulation and Development) Act, 2016.

- iii. To direct the Respondent to pay adequate compensation to the Complainant for the financial losses, damages, and mental anguish incurred as a direct result of the inordinate delay.
- iv. To direct the Respondent to provide a clear and detailed account of the compensation to be paid in lieu of the kitchen platform as previously agreed, and to pay the said amount to the Complainant forthwith.
- v. To direct the Respondent to pay compensation to the Complainant for the discrepancy and reduction in room dimensions from the specifications provided in the Agreement for Sale.
- vi. To impose such penalties upon the Respondent as are deemed appropriate by this Honourable Authority for the violation of the provisions of the Real Estate (Regulation and Development) Act, 2016.
- vii. To pass any such other order or orders as this Honourable Authority may deem fit and proper in the facts and circumstances of the present case.

***C. Counter filed by the Respondent.***

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

10. It is submitted that the project "Lake City-West" was developed lawfully after obtaining rights from the landowners under registered documents, covering 43,298.17 sq. yds. While requisite land conversion permissions and building permissions for construction of multi-storied apartments were obtained on 07.02.2020. The project consists of seven towers (cellars + ground + 14 upper floors) and a clubhouse (stilt + five upper floors). The project was duly registered with this Authority vide Registration No. P02500001819 dated 20.03.2020.

11. It was further submitted that the Complainant was allotted apartment No. W. 030407 on the 4<sup>th</sup> Floor of Tower 3, admeasuring 1650 sq. ft., and an undivided share of 46 sq. yds. of land under the Agreement of Sale. The agreement detailed the carpet area, balcony area, common area, and the undivided share of land. The total sale consideration was Rs. 96,22,500/- out of which the Complainant paid Rs. 96,22,500/-.

12. It was submitted that as per Clause 7 of the Agreement, the Respondent was obligated to hand over possession of the apartment on or before 31.08.2023, with a grace period of six months. The said clause explicitly stated that the period of completion would stand extended in the event of force majeure conditions, during which the allottee was not entitled to claim any compensation for the delay.

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

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

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

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

17. It was contended that any clerical or typographical errors in the Agreement of Sale, such as an incorrect possession date mentioned in one instance, could not be exploited to create

liability, especially when the magnitude of the project made such a timeline practically impossible. The Respondent asserted that the project was over 90% complete and in the final finishing stages. An extension for the project registration had been granted by this Authority up to 07.02.2026, and the Respondent gave an undertaking to deliver the apartments within this extended period.

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

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

***D. Rejoinder filed by the Complainant:***

20. It was submitted in response to the preliminary objection on maintainability, that the said objection was vague, unsupported, and legally untenable. The complaint had been filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016, which explicitly granted an aggrieved allottee the right to seek redressal. It was stated that the Agreement of Sale dated 30th August 2021 clearly committed to handing over possession by 31st August 2023, and as the flat had not been delivered and the project stood at less than 85% complete as of the complaint filing date of 1st March 2025, the complaint was fully maintainable.

21. The contention that the Complainant had not availed methods as provided in the agreement was described as legally unfounded and entirely unsustainable. It was submitted that all relevant evidence, including Minutes of Meetings and Form M, had already been submitted in support of the claims, and that all possible means to establish contact with the builder had been exhausted.

22. The objection regarding the non-issuance of a legal notice was described as legally misconceived and procedurally irrelevant, as there was no such requirement under Section 31 of the Act. It was further noted that the Respondent was well aware of the grievance, as repeated follow-ups were shown in previous communications, making further notice futile.

23. It was stated that the Respondent's development rights, permissions obtained for construction, RERA registration, and the payment of the booking amount of ₹96,22,500/- were not in dispute.

24. It was submitted that as per the RERA Act, the Agreement for Sale was the primary document, which clearly stated the committed possession date as 31st August 2023, and that the booking date was not the key date for delay claims.

25. With regard to the extension of the project's registration, it was submitted that the builder had never proactively informed the complainants about delays or progress and had failed to adhere to schedules that were only shared after repeated follow-ups.

26. The Respondent's reliance on Clauses 5 and 7 of the Agreement was described as misconceived and contrary to settled legal principles. It was argued that while Clause 7.1 itself stated that timely delivery was the essence of the Agreement, the Respondent's claim that a *force majeure* clause allowed for an automatic extension did not override the statutory right to compensation. It was submitted that the Respondent had failed to prove any genuine *force majeure* event. It was highlighted that the Complainant made all payments despite severe personal hardship, and the same standard applied to the Promoter.

27. The Respondent's quoting of Clause 7.2 was stated to be misleading and premature, as the condition precedent of obtaining an Occupancy Certificate (OC) had not been met. It was submitted that Clause 9, which dealt with promoter defaults, was squarely applicable, entitling the Complainant to either terminate the Agreement or claim interest for every month of delay. The Respondent's reliance on these clauses only confirmed their default.

28. The Respondent's allegation that the complaint had been filed with an ulterior motive was denied in toto. It was submitted that the Complainant had approached the Hon'ble Authority with clean hands, placing all material facts and documents on record. The vague and unsubstantiated allegation of 'material suppression' was described as an attempt to deflect attention from their own breach.

29. It was submitted that while the COVID-19 pandemic was a global emergency, the Agreement for Sale was executed after its onset, with the Promoter having full awareness of the prevailing circumstances when committing to a possession date of 31st August 2023. It was poignantly noted that the Complainant had tragically lost his wife to the pandemic and, despite facing immense financial strain and mental trauma, had not defaulted on any payment. In



contrast, the Respondent had cited funding constraints and legal issues, not the pandemic, as reasons for the delay in earlier meetings.

30. The Respondent's reliance on the Hon'ble Supreme Court's extension of limitation periods was described as misconceived and irrelevant to the present matter. It was argued that those orders had no bearing on the contractual obligation to complete a project on time.

31. The Respondent's attempt to justify the delay by citing the migration of labourers was described as misplaced and factually unsustainable. It was argued that the Respondent was fully aware of the pandemic's risks when executing the Agreement and had failed to produce any specific evidence of steps taken to mitigate the impact.

32. The Respondents' vague reference to 'various additional factors' was described as wholly unspecific and unsupported by evidence. It was submitted that no formal written notices or revised possession timelines had been provided to justify the delay.

33. The Complainant submitted that the Respondent's assertion that the possession date was a 'clerical or typographical error' was an afterthought, had no legal basis, and amounted to sheer negligence. Ample evidence, including the Agreement for Sale dated 31st August 2021, had been produced to establish the delay. It was argued that a party could not disown the express terms of a registered contract by loosely claiming mistakes.

34. The Respondent's claim that the allegations were baseless was stated to be entirely false. It was argued that the extension of the project's RERA registration was distinct from the specific possession date agreed with the allottee and did not extinguish the right to claim interest or compensation.

35. The Respondent's reference to third-party disputes was described as vague and unsubstantiated. It was argued that it was the promoter's responsibility under the RERA Act to ensure the project was free of encumbrances, and these risks had not been proactively disclosed.

36. The Respondent's claim regarding general communications was stated to be completely untenable. It was argued that generic updates did not dilute the binding contractual obligation and that the communications were vague and did not provide any clear revised timeline.

37. The Respondent's assertion that no interest could be claimed was described as factually and legally untenable. It was submitted that under Section 18(1) of the Act, an allottee had an explicit statutory right to claim interest for any delay.

38. The assertion that the claim for compensation was arbitrary and baseless was described as wholly misleading and contrary to law. It was argued that the inordinate delay had caused substantial mental stress, financial hardship, and loss of opportunity, which flowed directly from the Respondent's breach.

39. The statement that flats would be delivered by February 2026 was submitted as not absolving the Respondent of liability for the delay beyond the originally agreed possession date. It was argued that the demand for balance payments was premature when possession had not been delivered.

40. The assertion that the Complainant had 'agreed' to the reasons for delay was described as wholly misconceived and not supported by any legally valid consent. The new claim about rocky terrain was stated to reflect a lack of due diligence and was a foreseeable commercial risk.

41. The averments that the Complainant was not entitled to any relief were denied as false, baseless, and untenable in law. It was submitted that the Respondent had failed to substantiate its claim that the causes for delay were genuinely beyond its control.

42. The Respondent's sweeping claim that the complaint was 'preposterous' was stated to be baseless and contrary to the record. It was argued that the Respondent's claimed reputation was irrelevant to the dispute, which had to be decided on its own facts. The right to claim interest and compensation was described as statutory and not discretionary.

***E. Points for Consideration:***

44. 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:***

45. 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.

46. 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.*

47. 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.

48. 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.

49. 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.

50. 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. ”\**

51. 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."*

52. 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:***

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

54. It is the case of the Complainant that the Agreement of Sale dated 30.08.2021 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 29.02.2024. The Respondent has failed to hand over possession even as on the date of filing the complaint. Further, although the project was registered with TG RERA up to February 2025 and later extended until 07.02.2026, the project remains incomplete, with construction progress stalled at approximately 60-70% as per the Complainant's submission.

55. The Complainant submits that the Respondent has repeatedly given false assurances of completion, while allottees continue to suffer. Additionally, specific amenities, such as the kitchen platform, have not been provided, and discrepancies in room dimensions have been observed. The Respondent, conversely, attributes the delay to the Covid-19 pandemic, claiming force majeure, citing the nationwide lockdown beginning March 2020, the impact on migrant labour, and consequential delays. The Respondent further cites rocky terrain at the site, third-party disputes, and typographical errors in the possession date as additional justifications.

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

56. This Authority finds no merit in such a contention. The Agreement of Sale was executed on 30.08.2021, well after the onset and initial impact of the Covid-19 pandemic. The Respondent, being fully aware of the prevailing circumstances, nevertheless executed the Agreement by specifically assuring completion of the project by August 2023. 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.

59. 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..."*

60. 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.

61. 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***

62. 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.

63. 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.”*

64. The paramount objective is twofold: protection of consumer interest, and ensuring completion of projects in an efficient manner. Denial of extension during the Covid-19 disruption would have resulted in projects being stalled, to the grave prejudice of allottees. It was in this context that this Authority, balancing the equities, granted extensions in line with the moratoriums issued by Telangana RERA:

1. 15.03.2020 to 14.09.2020 (Circular No.14 dated 13.05.2020),
2. 15.09.2020 to 15.03.2021 (Order No.15 dated 29.09.2020),
3. 15.03.2021 to 14.09.2021 (Order No.16 dated 01.06.2021).

65. 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.

66. 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”***

67. 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.

68. 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:***

69. It is noted that the Complainant has paid the entire sale consideration diligently and without any default. However, despite having received substantial sums, the Respondent has failed to hand over possession of the allotted unit.

70. As per the terms of the Agreement of Sale, possession was to be delivered by 31.08.2023, with a grace period extending until 29.02.2024. Admittedly, possession has not been delivered within the said period.

71. This clearly establishes that the Respondent has failed to honour its contractual obligations. The conduct of the Respondent indicates a pattern of false assurances, despite being fully aware of its inability to meet the timelines promised under the Agreement. The project remains incomplete even after the expiry of the stipulated date of delivery.

72. Under Section 18 of the Real Estate (Regulation and Development) Act, 2016, the liability of the promoter in such situations 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.*

73. 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."*

74. 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."*

75. 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.

76. Thus, in the present case, the Authority finds the Respondent in clear breach of both contractual and statutory obligations. Accordingly, the Complainant is entitled to interest at the prescribed rate from 01.03.2024 (i.e., post grace period) till actual possession is handed over.

77. As regards the prayer for compensation, this Authority notes that such claims fall within the jurisdiction of the Adjudicating Officer under Section 71, for which the Complainant is at liberty to pursue a separate application in Form 'N'.

78. 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.

79. 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.

80. Accordingly, this Authority hereby sternly warns the Respondent promoter that any further default, non-compliance, or failure to deliver possession within the assured statutory

timelines or any fresh grievances brought to notice by allottees shall invite invocation of Section 63 of the RE(R&D) Act.

81. This Authority shall not hesitate to take the strictest view in future, for the RE(R&D) 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.

***G. Directions of the Authority:***

82. 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.

83. 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.

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

85. 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

86. 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 Narayana Jannu,**  
**Hon'ble Member**  
**TG RERA**

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

