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

COMPLAINT NO. 748/2025/TGRERA
Dated: 25th August, 2026

Quorum: **Sri Laxmi Narayana Jannu, Hon'ble Member**
Sri K. Srinivasa Rao, Hon'ble Member

Niten Kumar
Flat No 404, Block 8, Pristine Palace,
Balaji Layout, Gajularamaram,
Hyderabad - 500055

…. **Complainant**

Versus

M/s. Vasavi Infracon LLP
Rep. by its Managing Partner, Mrs. Chanda Sowmya
Having its registered office at H.No. 8-2-703/7/1 and
8-2-703/7/1/A, 4th floor, Road No.12, Banjara Hills,
Hyderabad, Telangana - 500034

…. Respondent

The present matter filed by the Complainant herein came up for hearing, before this Authority in presence of Complainant and the Respondent; upon pursuing the material on record and on hearing arguments of both the parties and having stood over for consideration till this day, the Authority passes the following **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 "Rules") seeking appropriate relief(s) against the Respondent.

A. brief facts of the case as stated by the Complainant:

3. The Complainant submitted that he is a bona fide allottee of Flat No. B05-1812, 18th Floor, Block-05 in the project developed by Vasavi Infracon at Bachupally, purchased on the basis of advertisements, website representations, and assurances of timely delivery made by the Respondent.

4. It was submitted that under the Agreement of Sale dated 18.01.2024, possession was assured by 26.12.2024 with an extended grace period up to August 2025, and that the Complainant paid ₹40,40,059/- out of the total sale consideration of ₹44,44,500/, including

charges towards amenities, parking, EV charging and allied facilities.

5. The Complainant further submitted that the Respondent repeatedly revised possession timelines without providing clarity regarding completion of construction, amenities, or procurement of the Occupancy Certificate, and that as of January 2025 the project remained only 60–70% complete with substantial interior works and infrastructure pending.

6. It was alleged that the Respondent wrongfully invoked force majeure on the basis of COVID-19 despite the Agreement having been executed after the pandemic period, and further imposed an undisclosed "debris charge" of ₹30,000/- per flat without contractual basis. The Complainant also alleged deviation from the promised specifications by reducing the number of passenger lifts in Block-10 from the originally promised 7 passenger lifts and 1 fire/service lift to only 5 passenger lifts and 1 fire/service lift.

B. Relief(S) Sought:

7. In view of the facts mentioned above, the Complainant respectfully prays that this Hon'ble Authority may be pleased to grant the following reliefs:

1. *Direct the Respondent for cancellation of the booked flat and refund of the entire amount paid by the Complainant in respect thereof.*
2. *Direct the Respondent to pay compensation for delay in delivery of possession in terms of Section 18 of the RERA Act, 2016, at the prescribed rate (MCLR + 2% per annum) from the due date of possession till actual handover.*
3. *Direct the Respondent to pay compensation for mental agony, harassment, and deficiency in service, as may be determined by this Hon'ble Authority.*

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

8. The Respondent submitted that it is the lawful promoter and developer of the "Vasavi S Urban" residential project at Bachupally consisting of 12 towers with 2 cellar levels and 23 upper floors, and that all requisite approvals, including HMDA permissions, NOCs, and RERA registration, were duly obtained. It was stated that HMDA granted building permission on 03.08.2020 and the project was registered with RERA on 30.10.2020, with the registration subsequently extended up to 03.08.2026.

9. The Respondent further submitted that the Agreement of Sale dated 18.01.2024 provided for delivery of possession by 26.12.2024 subject to grace period and force majeure conditions, and that the project was being executed under the PMAY scheme with subsidized pricing and limited profit margins.

10. The Respondent contended that the delay in completion was occasioned by force majeure circumstances including the Covid-19 pandemic, labour shortages, supply-chain disruptions, escalation in material costs, litigation concerning alleged FTL encroachment affecting Blocks 8 and 9, and disputes relating to the F-line boundary near Block 12, which collectively resulted in operational setbacks, labour dispersal, customer panic, and withdrawal of institutional funding.

11. It was submitted that the High Court later clarified that work could continue in blocks other than Blocks 8 and 9, and HMDA subsequently confirmed that no substantial FTL violation existed except to a minor extent which was rectified.

12. The Respondent further stated that the project had achieved nearly 85% completion, that debris charges were rationalised to ₹20,000/- per flat after consultations with allottees, and that the lift configuration complied with HMDA norms and expert recommendations. Denying any wilful default or liability under Section 18 of the Act, the Respondent sought dismissal of the complaint and extension of time for handing over possession until December 2026.

D. Rejoinder filed by the Complainant

13. The Complainant submitted that despite making substantial payments, possession has not been handed over and the Respondent has now extended the timeline to December 2026, resulting in a delay of over 18 months. It was contended that the Respondent cannot rely on Covid-19, labour shortages, supply disruptions, or financial constraints as force majeure, since the Agreement of Sale was executed in January 2024 after the pandemic period.

14. The Complainant further submitted that the litigation relating to Blocks 8 and 9 and the F-Line dispute concerning Block-12 had no relevance to Block-05 where the subject flat is situated, and therefore could not justify the delay.

15. It was also alleged that repeated revisions of possession timelines, incomplete amenities, absence of Fire NOC and Occupancy Certificate, and commencement of snagging works despite pending construction clearly established deficiency in service.

16. The Complainant further claimed entitlement to interest and delay compensation under Section 18 of the RE(R&D) Act from 27.06.2025 (inclusive of grace period) till actual possession, while also challenging the debris charges as illegal and highlighting the financial hardship caused by simultaneous payment of EMI and rent.

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

17. 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 Complainant is entitled to the reliefs as prayed for?

***F.* Observation of the Authority**

18. This Authority, at the outset, holds that the present complaint is maintainable, as the relationship between the parties as allottee and promoter under the Agreement of Sale dated 18.01.2024 is undisputed and the project is a registered project under the RE(R&D) Act, 2016.

19. The grievance raised by the Complainant pertains to delay in completion and handing over of possession, which squarely falls within the statutory framework of Section 18 of the Act. The Respondent has raised force majeure on multiple, independent grounds, each of which is examined in turn.

20. Having undertaken contractual commitments with full awareness of the prevailing circumstances, the Respondent cannot retrospectively invoke Covid-19 to evade its contractual and statutory obligations.

21. The Respondent's reliance on the Covid-19 pandemic is untenable, since the Agreement of Sale was consciously executed on 18.01.2024, well after the onset and near-subsiding of the pandemic. Having undertaken contractual commitments with full awareness of the prevailing circumstances, the Respondent cannot retrospectively invoke Covid-19 to evade its contractual and statutory obligations.

22. Issues raised like labour shortage, supply-chain disruption and cost escalation, these are ordinary business risks assumed by every promoter in the execution of a real estate project and do not, without more, constitute force majeure within the meaning of the Agreement or the Act. The Respondent has placed no material on record to demonstrate that these were extraordinary, unforeseeable events beyond its control, as opposed to routine operational difficulties. This ground is accordingly rejected.

23. Litigation concerning Blocks 8, 9 and the F-line dispute at Block 12, the subject flat is situated in Block-05. The Complainant's rejoinder correctly points out that the litigation and boundary disputes concerning Blocks 8, 9 and 12 have no bearing on Block-05, and the Respondent has not shown any construction, approval, or infrastructural dependency linking Block-05 to those disputes. Further, on the Respondent's own submission, the High Court clarified that work could continue in blocks other than Blocks 8 and 9, and HMDA has since confirmed no substantial FTL violation. This ground, even if otherwise relevant, therefore stood resolved well before the extended timeline the Respondent now seeks, and cannot justify the continuing delay in Block-05. This ground is accordingly rejected as inapplicable to the subject flat.

24. For the reasons above, none of the grounds urged by the Respondent individually or cumulatively amounts to force majeure excusing the delay in handing over possession of the subject flat.

25. Similarly, the regulatory extensions of RERA registration obtained by the Respondent, and any revised possession timelines uploaded on the TG RERA portal, do not bind the Complainants and cannot dilute their contractual and statutory rights. As held in Complaint No. 153 of 2025, following the Bombay High Court in Neelkamal Realtors Suburban Pvt. Ltd. v. Union of India [2017 SCC OnLine Bom 9302], the date of possession as stipulated in the Agreement of Sale shall prevail.

26. This Authority observes that the Complainant paid ₹40,40,059/- out of the total sale consideration of ₹44,44,500/- without default, yet possession has not been handed over within the agreed timeline of 26.12.2024 even after expiry of the grace period emding 26.05.2026,

thereby establishing clear breach of contractual and statutory obligations under Section 18 of the Act.

27. It is pertinent to refer to Clause 9.2 of the Agreement of Sale, which governs the events of default and the consequences flowing therefrom. It reads as follows:

> *9.1 Subject to the Force Majeure clause, the Promoter shall be considered under a condition of Default, in the following events:*
>
> *i. Promoter fails to provide ready to move in possession of the Apartment to the Allottee within the time period specified in para 7.1 or fails to complete the project within the stipulated time disclosed at the time of registration of the project with the Authority. For the purpose of this para, 'ready to move in possession' shall mean that the apartment shall be in a habitable condition which is complete in all respects including the provision of all specifications, amenities and facilities, as agreed to between the parties, and for which occupation certificate and completion certificate, as the case may be, has been issued by the competent authority;*
>
> *ii. Discontinuance of the Promoter's business as a developer on account of suspension or revocation of his registration under the provisions of the Act or the rules or regulations made thereunder.*
>
> *"9.2 In case of Default by Promoter under the conditions listed above. Allottee(s) is entitled to the following:*
>
> *i. Stop making further payments to Promoter as demanded by the Promoter. If the Allottee(s) stops making payments, the Promoter shall correct the situation by completing the construction milestones and only thereafter the Allottee be required to make the next payment without any interest; or*
>
> *ii. The Allottee(s) shall have the option of terminating the Agreement in which case the Promoter shall be liable to refund the entire money paid by the Allottee(s) under any head whatsoever towards the purchase of the apartment, along with interest at the rate prescribed in the Rules within ninety days of receiving the termination notice: Provided that where an Allottee(s) does not intend to withdraw from the project or terminate the Agreement, he/she shall be paid, by the Promoter interest at the rate prescribed in the Rules, for every month of*

delay till the handing over of the possession of the Apartment, which shall be paid by the Promoter to the allottee within ninety days of it becoming due."

28. The Respondent has admittedly breached the contractual possession timeline, thereby committing a clear default within the meaning of Clause 9 of the Agreement of Sale. The contractual stipulations themselves entitle the Complainant to seek refund of the entire amount paid, along with applicable interest.

29. Independently of the contractual framework, the statutory mandate under Section 18 of the RE(R&D) Act, 2016 is equally clear and unambiguous regarding the right of the allottee to withdraw from the project and receive the amount paid, where there is default on the part of the promoter.

Section 18(1) reads as follows: *(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.

30. The scope and nature of this right has been authoritatively settled by the Hon'ble Supreme Court in ***Civil Appeal Nos. 3581-359 of 2022, Civil Appeal Diary No. 9796/2019, M/s Imperia Structures Limited v. 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."

31. Similarly, in ***Civil Appeal Nos. 6745-6749 of 2021, M/s Newtech Promoters and Developers Private Limited v. State of Uttar Pradesh & 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 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."

32. The Complainant has, in the present complaint, sought both cancellation of allotment with refund (the main limb of Section 18(1)) and, in the alternative, delay compensation calculated from the due date of possession till actual handover (the proviso to Section 18(1)). As held in Imperia Structures and Newtech (supra), these two remedies are disjunctive and not cumulative. Having elected, and being granted, refund and cancellation under the main limb of Section 18(1), the Complainant's prayer for month-on-month delay interest under the proviso does not survive independently and stands subsumed in the refund relief granted below.

33. In view of the foregoing, this Authority holds that the Complainant is entitled to refund of the entire amount paid, along with applicable interest, having exercised the statutory right to withdraw from the project under Section 18 of the Real Estate (Regulation and Development) Act, 2016.

34. This Authority accordingly holds that the Complainant is entitled to refund of ₹40,40,059/- (Rupees forty Lakhs Forty Thousand and fifty-nine only), along with interest at the rate prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017 (currently SBI MCLR + 2% per annum to be verified as on the date of this order), calculated individually on each instalment from the date of payment thereof until the date of actual refund.

35. The Complainant has specifically challenged the levy of debris charges initially ₹30,000/- per flat, later stated by the Respondent to have been rationalized to ₹20,000/- per flat as unilateral and without contractual basis. The Respondent has not placed on record any clause of the Agreement of Sale authorising such a levy, nor any statutory basis under the Act or the Rules for its imposition. In the absence of such basis, the levy of debris charges, to the extent recovered or sought to be recovered from the Complainant, is held to be unauthorised, and the Respondent is directed to refund/adjust the same as part of the amounts to be refund to the Complainant.

36. As regards compensation for mental agony, harassment and deficiency in service, the same falls within the exclusive jurisdiction of the Adjudicating Officer under Section 71 of the RE(R&D) Act, and the Complainant is at liberty to avail such remedy separately, in accordance with law, by way of Form N.

37. This Authority takes note, with grave concern, that multiple complaints have already been received against this same Respondent arising from the same project. Such a pattern of default and repeated false assurances is a matter this Authority views seriously, and any further default, non-compliance, or grievance brought by allottees of this project shall invite proceedings under Section 63 of the RE(R&D) Act, 2016.

G. Directions of the Authority:

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

a. The respondent is directed to cancel the allotment of the subject flat and refund the amount of ₹40,40,059/- (Rupees forty Lakhs Forty Thousand and fifty-nine only) received from the Complainants, along with interest as prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017.

b. The Complainant is entitled to interest at the rate of 10.70% per annum (being SBI MCLR + 2% as per Rule 15 of the TG RE(R&D) Rules, 2017), The interest shall be calculated individually on each instalment/payment from the respective date of payment till the date of actual refund.

c. 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.

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

39. 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.

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

Sd/-	**Sd/-**
Sri. K. Srinivasa Rao,	**Sri. Laxmi Narayana Jannu,**
Hon'ble Member	**Hon'ble Member**
TG RERA	**TG RERA**