

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Date: 4th February, 2026

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

COMPLAINT NO. 336/2025/TGRERA

Daram Sai Varun Reddy and Shruthi Burgapally

(Resident of H 201, Aparna Sarovar Zenith, Nallagandla, Hyderabad, Telangana, India, 500019.)

...Complainants

Versus

M/s Anuhar Homes Pvt. Ltd. Represented by Its Promoter, Mr. Harshavardhana Reddy Yerrapureddy.

(Office located at H.No. 8-2-293/82/225/A, Sri Venkateswara Nilayam 3rd Floor, Beside Andhra Bank, Road Number 18, Jawahar Colony, Venkateshwara Hills, Jubilee Hills, Hyderabad, Telangana 500033)

...Respondent

The present matters filed by the Complainants detailed hereinabove came up for hearing before this Authority in the presence of Counsel of the Complainants and the representative of the Respondent. Upon hearing their submissions, this Authority proceeded to pass the following **ORDER:**

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

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

3. It was submitted that the Complainants booked Unit No. 1501 in Block A of the Respondent's project, "Anuhar Towers," bearing RERA Registration No. P02400002613, on 28.01.2022. Subsequently, an Agreement of Sale was executed between the parties on 12.02.2022. It was further submitted that out of a total sale consideration of ₹1,18,12,900/-, the Complainants had paid a sum of ₹1,13,87,637/-.

4. The Complainants stated that as per the terms of the agreement, the Respondent had committed to hand over possession of the unit by 31.12.2023. This date was extendable by a grace period of one year, making the final committed date for possession 31.12.2024. However, it was contended that possession has not been delivered, despite the substantial payment made by the Complainants.

5. It was alleged that the Respondent engaged in several irregular practices, which included, but were not limited to, non-transparent communication, providing misleading updates regarding the project's status, and making deviations from the approved plans. The Complainants contended that these actions constitute a violation of the terms of the Agreement of Sale and the provisions of the RERA Act, 2016.

6. The Complainants submitted that the actions and inactions of the Respondent have caused them severe mental agony and financial hardship, which has compelled them to approach this Authority seeking appropriate redressal.

B. Reliefs sought

7. Accordingly, the Complainants sought the following reliefs:

- i. Direct the Respondent to refund the entire amount of ₹1,13,87,637/- paid by the Complainants along with applicable interest at the rate prescribed under Section 18(1) of the RERA Act, 2016.*
- ii. Award compensation to the Complainants for mental agony, financial hardship, and opportunity loss suffered due to the delay in possession and irregular practices by the Respondent.*
- iii. Impose appropriate penalties on the Respondent for non-compliance with RERA obligations and violation of the terms of the Agreement of Sale.*

C. Reply filed by the Respondents.

8. At the outset, sincere regret was expressed for the inconvenience caused to the allottees by the delay in the completion of the project. It was submitted that the primary factors responsible for the delay were persistent labour shortages following the post-pandemic environment, during which a significant number of skilled workers had left for their native states, notably Bihar and Uttar Pradesh. It was contended that this, combined with the

prevailing market conditions in Hyderabad, had further affected the recruitment and retention of the workforce essential to the project.

9. Furthermore, it was submitted that the process of obtaining Transferable Development Rights (TDR) permissions from the competent authorities had taken longer than initially anticipated. The procedural and coordination requirements involved had led to interruptions in the construction schedule and, in some instances, had necessitated structural modifications. It was stated that these circumstances were entirely beyond the Respondent's reasonable control and had substantially affected the timely progress of the project.

10. An assurance was given to the Hon'ble Authority and the allottees that these major impediments had now been resolved and that construction activities were currently in their concluding phase. A commitment was made to start the handover process from 10th August 2025, with the anticipation that the entire block would be ready for handover by the end of September 2025.

11. In view of the above, it was most respectfully prayed that the Hon'ble Authority grant an extension of time until the end of September 2025 to enable the Respondent to complete all remaining works and hand over the apartments in full compliance with all statutory and contractual obligations. A further undertaking was given to keep both the Hon'ble Authority and the Allottees updated about the progress and to make every effort to adhere strictly to the revised timeline.

12. A request was once again made to the Hon'ble Authority to consider the genuine constraints and grant the requested extension until the end of September 2025 for completion and handover of possession, which would also enable the Respondent to fulfil all obligations under the Telangana RERA Act and the agreements entered into with the allottees.

D. Reply submitted by the Respondents on 13.11.2025

13. It was submitted that the complainants had availed a housing loan from HDFC bank for the purchase of the said flat. It was stated that since September 2025, the Respondent had been regularly sending emails to the complainants, requesting them to initiate the cancellation process with their bank and to provide a written cancellation letter. However, it was noted that the complainants had not yet approached their bank to initiate such cancellation.

14. Further, it was submitted that the concerned bank had communicated that the said flat was under loan and stood as security for the bank. Hence, it was contended that the bank's

approval was mandatorily required for processing the cancellation, as the unit remained under the bank's charge created by virtue of the tripartite agreement and could not be released or resold without the bank's written consent.

15. Reference was made to the terms and conditions of the Agreement of Sale, specifically Clause 7.5 regarding cancellation by the allottee. It was submitted that a deduction of 10% of the Agreement Value along with applicable GST applied in case of cancellation initiated by the allottee. It was further stated that the balance refund amount was to be paid within 90 days from the date of cancellation or after the resale of the said flat, whichever occurred later.

16. It was submitted that in the present case, since the cancellation had been initiated by the complainants, the refund and related procedures were to be governed strictly in accordance with the contractual terms agreed between both parties. It was further submitted that there had been no default, negligence, or breach on the part of the Respondent, and that the delay in initiating the refund was solely due to the pending bank formalities required for legal compliance.

17. An assurance was given to the Hon'ble Authority that the Respondent was taking all necessary steps to expedite the process and remained committed to fulfilling all obligations lawfully and in good faith.

18. In light of the above facts and circumstances, it was humbly requested that the Hon'ble Authority kindly consider the submission and grant reasonable time to process the refund amount, in accordance with the directions of the Hon'ble Authority.

E. Observations of the Authority

I. Whether the delay attributed to the Covid-19 pandemic can be taken as a valid shield by the Respondent in the present case?

19. The Complainants have sought relief primarily on the ground of delay in handing over possession of the subject unit. It is the specific case of the Complainants that the Agreement of Sale dated 12.02.2022 unequivocally stipulated that possession of Unit No. 1501, Block A, would be delivered on or before 31.12.2023, with a grace period of one year, thereby extending the outer limit for delivery of possession up to 31.12.2024 (as mentioned under Clause 7.1 of the Agreement of Sale). Admittedly, even after expiry of the said grace period, the Respondent has failed to hand over possession of the subject unit.

20. It is not in dispute that the Complainants have paid a substantial portion of the sale consideration, amounting to ₹1,13,87,637/- out of the total agreed consideration of ₹1,18,12,900/-. Despite receipt of almost the entire sale consideration, possession has not been delivered till date.

21. The Respondent has sought to justify the delay by attributing it to post-pandemic labour shortages and delays in obtaining Transferable Development Rights (TDR) permissions, contending that these circumstances were beyond its control and were a continuation of the disruptions caused by the Covid-19 pandemic. In essence, the Respondent seeks to invoke Covid-19 related circumstances as a shield to escape liability for the admitted delay in possession.

22. This Authority finds no merit in the said contention. The Agreement of Sale in the present case was executed on 12.02.2022, i.e., well after the onset of the Covid-19 pandemic and after the major phases of lockdown and disruption had already occurred. At the time of executing the Agreement of Sale, the Respondent was fully aware of the prevailing market conditions, labour dynamics, regulatory environment, and the residual effects, if any, of the pandemic. Despite such knowledge, the Respondent consciously undertook a specific contractual obligation to deliver possession by 31.12.2023, with a further grace period extending up to 31.12.2024.

23. Having voluntarily committed to a definite timeline with full awareness of the surrounding circumstances, the Respondent cannot now retrospectively rely on Covid-19 related disruptions or allied factors to justify its failure to honour the contractual and statutory obligations.

24. It is a settled principle that once a promoter chooses to register a project under the Real Estate (Regulation and Development) Act, 2016 and enters into binding agreements with allottees, the promoter does so with full knowledge of the attendant risks, constraints, and challenges. The timelines declared in the Agreement of Sale are required to be realistic and achievable, and cannot be treated as tentative or illusory promises.

25. The Respondent, being a seasoned developer, cannot feign surprise or helplessness by citing labour shortages or administrative delays after having contractually bound itself to deliver possession within a stipulated timeframe. Such defences, if accepted, would defeat the very object of the RE(R&D) Act, which seeks to ensure certainty, accountability, and timely delivery of real estate projects.

26. Accordingly, this Authority holds that the plea of Covid-19 and allied post-pandemic issues as a force majeure defence in the present case is wholly untenable. The Respondent, having executed the Agreement of Sale in February 2022 with clear possession timelines, cannot be permitted to rely on generalised pandemic-related explanations to justify a delay extending well beyond the agreed and grace periods. The said defence is therefore rejected.

ii. Whether the Complainants are entitled to the refund of the amount paid by them?

27. Having held that the Respondent has failed to hand over possession of the subject unit within the contractually agreed timeline, inclusive of the grace period, this Authority now proceeds to examine the entitlement of the Complainants to refund under Section 18 of the Real Estate (Regulation and Development) Act, 2016.

28. It is an admitted position that the Agreement of Sale dated 12.02.2022 stipulated delivery of possession by 31.12.2023, extendable by a grace period of one year up to 31.12.2024. It is further undisputed that possession has not been handed over even after expiry of the said grace period. The Complainants have, therefore, exercised their statutory right to withdraw from the project and seek refund of the amounts paid.

29. As borne out from the record, the Complainants have paid a sum of ₹1,13,87,637/- out of the total sale consideration of ₹1,18,12,900/-, diligently and without default. Despite receipt of such a substantial amount, the Respondent has failed to perform its reciprocal obligation of delivering possession within the agreed timeframe.

30. At this juncture, it is pertinent to refer to Clause 9 of the Agreement of Sale executed between the parties, 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 is entitled to the following:

i. Stop making further payments to Promoter as demanded by the Promoter. If the Allottee 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 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 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 does not intend to withdraw from the project or terminate the Agreement, he 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/Plot], which shall be paid by the promoter to the allottee within ninety days of it becoming due.

31. In the present case, as already discussed hereinabove, the Respondent has admittedly breached the contractual possession timeline as provided by them, thereby committing a clear default within the meaning of Clause 9 of the Agreement of Sale. Consequently, the contractual stipulations themselves entitle the Complainants to seek refund of the entire amount paid, along with applicable interest. The Respondent is therefore squarely liable to refund the monies received from the Complainants with interest as prescribed under law.

32. 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 he has paid in respect to his apartment when there is default on the part of the Promoter. It 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.

33. 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."

34. 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."

35. In view of the contractual provisions governing promoter default, coupled with the settled legal position under Section 18 of the RE(R&D) Act as elucidated by the Hon'ble Supreme Court, this Authority holds that the Complainants are entitled to refund of the entire amount paid by them along with applicable interest, having unequivocally exercised their statutory right to withdraw from the project under Section 18 of the Real Estate (Regulation and Development) Act, 2016.

36. Therefore, this Authority holds that the Complainants are entitled to refund of the amount of ₹1,13,87,637/- along with interest, i.e., current SBI MCLR + 2%, as prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017 calculated individually on each instalment from the date of payment thereof until the date of actual refund.

37. As regards compensation for mental agony and other consequential losses, the same falls within the exclusive jurisdiction of the Adjudicating Officer under Section 71 of the RE(R&D) Act, and the Complainants are at liberty to avail such remedy separately, in accordance with law.

G. Directions of the Authority

38. In light of the findings recorded above and in exercise of the powers conferred under Sections 37 and 38 of the Real Estate (Regulation & Development) Act, 2016, this Authority issues the following directions:

- i. The Respondent is hereby directed to refund an amount of ₹1,13,87,637/- (Rupees One Crore Thirteen Lakhs Eighty-Seven Thousand Six Hundred and Thirty-Seven only) received from the Complainants, along with interest as prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017.
 - ii. The applicable rate of interest shall be the current State Bank of India Marginal Cost of Lending Rate (8.70 %) plus two percent (2%), which is 10.70% per annum. The interest shall be calculated individually on each instalment/payment from the respective date of payment till the date of actual refund.
 - iii. The entire refund amount, together with accrued interest, shall be paid within a period of sixty (60) days from the date of receipt of this Order.
 - iv. Failing to comply with the above-said direction by the Respondent shall attract penal action in accordance with Section 63 of the RE(R&D) Act, 2016.
39. The complaint stands disposed of in the above terms. There shall be no order as to costs.

Sd/-
Sri K. Srinivasa 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