

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

COMPLAINT NO. 650/2026/TGRERA

Dated: 25th August, 2026

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

Akhil Muppa and
Krishna Rahithya
G1401, Aparna Sarovar Zenith,
Nallagandla, Hyderabad 500019

...Complainants

Versus

M/s. Vasavi Realtors LLP,
Rep. by its Designated partner, Vijay Kumar Yerram,
H.No.8-2-703/7/1 and 8-2-703/7/1/A,
4th Floor, Vasavi Corporate Building, Amrutha Valley Apartments,
Road No. 12, Banjara Hills, Hyderabad, Telangana – 500034.

... Respondent

The present complaint is filed by the Complainants mentioned herein above came up for hearing before this Authority in the presence of counsel for the Complainants and counsel for the Respondent, and upon hearing the submissions of both the parties, this Authority proceeds to pass 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 Complainants in Form M:

3. The Complainant submitted that he purchased a flat in the Respondent's project “Vasavi Lake City” in August 2020 under a Pre-EMI scheme. It is stated that as per the Agreement of Sale, possession of the subject flat was to be handed over by August 2023, with a grace period of six months. The Complainant further submitted that he paid the booking amount from his own funds and availed a housing loan from Bank of Baroda, pursuant to which an amount of Rs.49,32,541/- was disbursed to the Respondent, constituting a substantial portion of the sale consideration.

4. The Complainant submitted that under the terms of the Pre-EMI scheme, the Respondent had undertaken to reimburse the loan interest on a quarterly basis until handing over possession of the flat. However, despite receipt of substantial payments, the Respondent failed to complete the project and hand over possession within the agreed timeline, which expired in February 2024 inclusive of the grace period.

5. The Complainant submitted that the Respondent discontinued reimbursement of the Pre-EMI interest from the year 2024 onwards and subsequently informed him that such amounts would be adjusted at the time of final payment. According to the Complainant, the Respondent has neither offered possession nor provided any definite timeline for completion of the project.

6. The Complainant further submitted that substantial portions of the project, including interior finishing works, common amenities, and supporting infrastructure, remained incomplete. It is alleged that despite repeated follow-ups, the Respondent failed to furnish a clear completion schedule or roadmap for handing over possession of the subject flat.

7. The Complainant submitted that the continued delay in completion of the project, failure to hand over possession within the agreed timeline, and discontinuance of the Pre-EMI reimbursements have caused financial hardship, mental stress, and inconvenience. Aggrieved thereby, the Complainant approached this Authority seeking appropriate reliefs against the Respondent.

B. Relief(s) sought:

8. In the above facts and circumstances of the case, the Complainants most respectfully pray that this Hon'ble Authority may be pleased to:

1. *Direct the Opposite Party to hand over immediate possession of the flat bearing Flat No. W61208 in the "Vasavi Lake City West" project, at the earliest.*
2. *Direct the Opposite Party to pay interest for delayed possession on the entire amount paid by the Complainants from the promised possession date till actual handover of possession.*
3. *Direct the Opposite Party to compensate the Complainants for financial losses and mental agony*

4. *Direct the Respondent to reimburse all pending Pre-EMI interest amounts payable under the Agreement of Sale, together with applicable interest, and to continue such reimbursements until handing over possession of the subject flat.*

C. Counter filed by the Respondent:

9. The Respondent submitted that the complaint is not maintainable either in law or on facts and is liable to be dismissed. It is contended that the Complainant failed to invoke the dispute resolution mechanism contemplated under the Agreement of Sale and did not issue any legal notice prior to filing the present complaint before this Authority.

10. The Respondent submitted that it had lawfully undertaken the development of the project “Vasavi Lake City West” after acquiring development rights from the landowners and obtaining all requisite approvals, including land conversion permission, building permission dated 07.02.2020, and RERA Registration No. P02500001819 dated 20.03.2020. It is stated that the project consists of residential towers and associated amenities developed over the project land in accordance with the sanctioned plans and specifications.

11. The Respondent submitted that the Complainant was allotted Flat No. W060708 pursuant to a booking dated 10.08.2020 and thereafter entered into an Agreement of Sale for a total sale consideration of Rs.78,27,325/-. According to the Respondent, the Agreement of Sale provided for handing over possession on or before 31.08.2023 with a grace period of six months, subject to extension on account of force majeure events. The Respondent further submitted that the project specifications, amenities, payment schedule, and rights and obligations of the parties were clearly set out in the Agreement.

12. The Respondent submitted that the delay in completion of the project was caused by force majeure circumstances arising out of the COVID-19 pandemic, nationwide lockdowns, large-scale migration and shortage of labour, disruption of construction activities, and other unforeseen difficulties affecting project execution. It is further submitted that the project site involved substantial rocky terrain requiring manual rock excavation, which also impacted construction timelines. The Respondent relied upon the orders passed by the Hon'ble Supreme Court in Suo Motu Writ Petition No. 3 of 2020 extending limitation periods during the pandemic and contended that the project timelines were correspondingly affected.

13. The Respondent further submitted that the project was also affected by third-party litigations, including RERA Case No.190 of 2020, W.P. No.2694 of 2021, W.P. No.13898 of 2022, W.P. No.33433 of 2023, W.A. No.584 of 2023, SLP Nos.9694-9695 of 2023, and W.P. No.26301 of 2024. It is stated that the Authority had extended the validity of the project registration from 07.02.2025 to 07.02.2026 and that the allottees were periodically informed about the project progress, delays, and revised timelines through meetings and communications.

14. The Respondent denied liability to pay interest, compensation, or any other amounts claimed by the Complainant, contending that the delay was occasioned by circumstances beyond its control and therefore falls within the scope of force majeure. It is further submitted that more than 90% of the project work has been completed and that the project is in the final stages of completion. According to the Respondent, the Complainant has not complied with the payment obligations under the Agreement and certain amounts remain outstanding. The Respondent therefore prayed for dismissal of the complaint while undertaking to complete the project and hand over possession to the allottees at the earliest.

D. Rejoinder filed by the Complainant:

15. The Complainant, in rejoinder, denied the averments made in the counter affidavit and submitted that the objections regarding maintainability of the complaint are misconceived, as the present proceedings have been instituted under Section 31 of the RE(R&D) Act, 2016 and the statutory remedies available under the Act cannot be curtailed by any dispute resolution clause contained in the Agreement of Sale. The Complainant further submitted that issuance of a prior legal notice is not a precondition for maintaining a complaint under the Act.

16. The Complainant further contended that the Respondent cannot rely upon the COVID-19 pandemic or force majeure circumstances to justify the delay, particularly when the Agreement of Sale was executed after the onset of the pandemic and possession was contractually promised by February 2024 inclusive of the grace period. It is submitted that the Respondent has failed to place any material demonstrating continuous and unavoidable disruption of construction activities for the entire period of delay. The Complainant also submitted that extension of the project registration up to 07.02.2026 does not extinguish the

statutory rights of an allottee under Section 18 of the Act nor absolve the Respondent from liability for delayed possession.

17. The Complainant submitted that substantial payments have been made towards the sale consideration and that the Respondent has neither obtained an Occupancy Certificate nor offered lawful possession of the subject flat. It is further submitted that the allegation of payment default is untenable, as the Respondent itself remains in breach of its obligations to complete the project and hand over possession within the agreed timeline. The Complainant therefore claimed entitlement to interest under Section 18(1) of the Act from 01.03.2024 till actual handing over of possession.

18. The Complainant further submitted that under the Pre-EMI scheme incorporated in the Agreement of Sale, the Respondent had undertaken to reimburse loan interest on a quarterly basis until possession. According to the Complainant, such reimbursements were discontinued by the Respondent from the year 2024 onwards and the unilateral proposal to adjust the amounts at the time of final payment is contrary to the contractual terms agreed between the parties. The Complainant therefore sought reimbursement of the outstanding Pre-EMI amounts together with applicable interest.

19. It was further submitted that due to the delay in completion of the project, the Complainant has been compelled to bear housing loan interest as well as rental expenses simultaneously, resulting in financial hardship and mental distress. The Complainant also alleged that the Respondent repeatedly revised the proposed possession timelines without adhering to the same, thereby demonstrating continued default in completion of the project. The Complainant accordingly sought interest for delayed possession, reimbursement of pending Pre-EMI amounts, compensation, and other consequential reliefs.

E. Points for Consideration:

20. 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:

21. The present complaint arises from the same project Vasavi Lake City West (RERA Reg. No. P02500001819) developed by the very same Respondent in respect of which this Authority has already rendered a detailed order in Complaint No. 134 of 2025 (Raju Burnwal & Anr. v. M/s. Vasavi Realtors LLP, dated 02.09.2025). In that order, this Authority examined, at length, all the material contentions raised by this Respondent including maintainability, the Covid-19 force majeure plea, the effect of regulatory extensions of registration, the Respondent's unilateral revision of possession timelines, and the allottees' entitlement under Section 18 of the RE(R&D) Act and returned clear and considered findings on each. As the facts, contentions, and legal issues in the present complaint are, in all material respects, identical to those already adjudicated, this Authority finds no reason to depart from the reasoning set out in that order. The findings therein are adopted and applied in their entirety to the present case as well.

22. Accordingly, the objection as to maintainability is rejected. The dispute resolution clause in the Agreement of Sale is merely directory and cannot curtail the statutory remedies available under the RE(R&D) Act, as held in Complaint No. 134 of 2025.

23. On the merits, the Respondent executed the Agreement of Sale on 08.07.2021 well after the Covid-19 pandemic had substantially subsided with a specific, voluntary commitment to hand over possession by 31.08.2023 and six months' grace period. Having consciously undertaken this commitment with full knowledge of prevailing conditions, the Respondent cannot now invoke Covid-19 as a retrospective force majeure defence. As established in Complaint No. 134 of 2025, such reliance is wholly untenable and amounts to giving false assurances with mala fide intent.

24. 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. 134 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.

25. This Authority further notes that Clause 1.12 of the Agreement of Sale specifically obligates the Respondent to reimburse the monthly Pre-EMI interest paid by the Complainant to the lending bank until intimation of handing over possession of the subject flat. The existence of such a clause is not disputed by the Respondent. It is also not disputed that possession of the subject flat has not been handed over to the Complainant till date.

26. Having received substantial amounts towards the sale consideration and having undertaken the responsibility of reimbursing the Pre-EMI interest till handing over possession, the Respondent cannot discontinue such reimbursements and shift the financial burden upon the Complainant while the project itself remains incomplete. This Authority is of the considered view that the Respondent cannot take advantage of its own failure to complete the project within the agreed timeline and simultaneously deny the contractual benefit extended to the Complainant under the Pre-EMI scheme. The plea of force majeure, even if accepted for the limited purpose of explaining delay in construction, cannot justify discontinuance of the Respondent's independent obligation to reimburse Pre-EMI amounts as expressly agreed between the parties.

27. Accordingly, this Authority holds that the Respondent remains bound by Clause 1.12 of the Agreement of Sale and is liable to reimburse the Pre-EMI amounts paid by the Complainant till lawful possession of the subject flat is offered. The unilateral decision of the Respondent to defer such reimbursement or adjust the same at a future date, without the consent of the Complainant and contrary to the terms of the Agreement, cannot be sustained.

28. The record establishes that the Complainants paid total sale consideration of Rs. 57,53,084/- as per payment receipts produced before this Authority, fulfilling their contractual obligations, yet possession has not been handed over. The Respondent's contention that the Complainants bear residual payment arrears cannot afford it any shield, as held by the Hon'ble Supreme Court and affirmed in the order of Complaint No. 134 of 2025, a promoter in default cannot place its own breach at the feet of the allottee to avoid liability.

29. In view of the above, this Authority holds that the Respondent is in clear breach of both its contractual obligations under the Agreement of Sale and its statutory obligations under Section 11(4)(a) of the RE(R&D) Act. The Complainants, having chosen to remain in the

project, are entitled as a matter of statutory right under the proviso to Section 18(1) of the RE(R&D) Act to interest for every month of delay from 01.03.2024 (i.e., the day following expiry of the agreed possession date of 31.08.2023 along with six months' grace period i.e., 29.02.2024) until actual handing over of lawful possession. Insofar as compensation for mental agony, financial loss, and any assured compensation amounts promised by the Respondent is concerned, the Complainants are at liberty to pursue such relief before the Adjudicating Officer under Section 71 of the Act by filing Form 'N'.

30. This Authority takes note, with grave concern, that over fifty complaints have already been received against this same Respondent arising from the same project. Such a systemic pattern of default, repeated false assurances, and disregard for the statutory framework strikes at the very foundation of homebuyer confidence. The RE(R&D) Act was enacted as a beneficial legislation to protect innocent homebuyers, and this Respondent's conduct is in gross derogation of that mandate. Any further default, non-compliance, or grievance brought by allottees will invite proceedings under Section 63 of the RE(R&D) Act, 2016.

G. Directions of the Authority:

31. 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 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.

- e) The Respondent is held liable for failure to hand over possession of the subject flat by the agreed date i.e., 29.02.2024 (inclusive of grace period).
- f) The Complainants are 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), computed on the amounts actually paid by the Complainants, with effect from 01.03.2024 until actual handing over of lawful possession. The exact computation shall be subject to verification of such payments by the Respondent at the stage of effecting payment. 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.
- g) The Respondent is further directed to reimburse the Pre-EMI interest amounts paid by the Complainants to the lending bank in terms of Clause 1.12 of the Agreement of Sale. The Respondent shall calculate and pay all outstanding Pre-EMI reimbursements accrued up to the date of this Order within sixty (60) days from the date of receipt of this Order, subject to verification of the amounts actually paid by the Complainants towards Pre-EMI interest on the basis of supporting bank statements, loan account statements, or other documentary evidence. The Respondent shall continue to reimburse such Pre-EMI interest amounts in accordance with Clause 1.12 of the Agreement of Sale until lawful possession of the subject flat is offered to the Complainants.
- h) Insofar as compensation is concerned, the Complainant is at liberty to pursue appropriate proceedings before the Learned Adjudicating Officer under "Form N".
- i) The Respondent is hereby directed to complete the project forthwith and hand over possession to the Complainants within the statutory timelines.

32. 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, 2016.

33. The Complaint is accordingly allowed in part, in terms of the above directions.

34. 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.

35. As a result, the Complaint is disposed of accordingly. 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

