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

***COMPLAINT NO. 751/2025/TGRERA***
***Dated: 25th August, 2026***

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

**Kellampalli Sharat Kumar**
**Kellampalli Lavanya**
*Flat No.801, Block-A3, Sadbhavana Township,*
*Pocharam Village, Ghatkesar Mandal,*
*Medchal-Malkajgiri - Dist, TS State - 500088*

…. **Complainants**

**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. B09-613, 6th Floor, Block-09 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 02.12.2021, possession was assured by 26.12.2024 with an extended grace period up to August 2025, and that the

Complainant paid ₹30,03,866/- out of the total sale consideration of ₹42,48,750/, including charges towards amenities, parking, EV charging and allied facilities.

5. The Complainant further submitted that the Respondent repeatedly revised possession timelines. It was alleged that construction of Blocks 8 and 9 was delayed on account of proceedings initiated by HMDA, municipal authorities and litigation relating to the Komati Kunta water body, buffer zone and statutory approvals, including the requirement of obtaining clearance from the Irrigation Department and compliance with the conditions imposed by HMDA. The Complainants contended that these material facts were not disclosed at the time of booking or execution of the Agreement of Sale and that the Respondent continued to raise stage-wise payment demands despite the pending statutory compliances and prolonged delay in completion of the project. Without providing clarity regarding completion of construction, amenities, or procurement of the Occupancy Certificate.

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.



***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 to immediately hand over physical and legal possession of the unit with all promised specifications and amenities as per the Agreement of Sale.*
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.*
4. *Declare the Respondent's demand towards "debris charges" and its insistence on registration of apartments on a "fit-out" basis before obtaining the Occupancy Certificate as illegal, arbitrary and contrary to the Agreement of Sale and the provisions of the RE(R&D) Act, 2016.*

***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 06.12.2021 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. It was stated that the work in the project was stopped pursuant to the notice issued by the GHMC and that, in W.P. No. 29271/2023 tagged with W.P. (PIL) No. 74/2024, the Hon'ble High Court permitted construction to proceed in all towers except Towers/Blocks 8 and 9 vide order dated 18.10.2023.

13. The Respondent further submitted that the Hon'ble High Court directed a re-survey in relation to the alleged lake encroachment, pursuant to which a lake committee conducted the re-survey and submitted its report to HMDA. It was contended that, during the pendency of the said proceedings and the re-survey, no construction could be undertaken in Blocks 8 and 9 due to the directions of the Hon'ble High Court, resulting in substantial loss of time and removal of labour and infrastructure from the site owing to the uncertainty.

14. The Respondent stated that HMDA thereafter permitted construction of Blocks 8 and 9 under its revised order dated 26.09.2025 bearing reference No. Lr. No.024274/MED/R1/U6/HMDA/2019. Accordingly, the Respondent contended that the delay in respect of the subject Block 9 apartment was directly attributable to the aforesaid statutory interventions, judicial proceedings and circumstances beyond its control and therefore falls within the force majeure circumstances contemplated under the Agreement of Sale and the RE(R&D) Act, 2016.

15. 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***

16. 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 December 2021 after the pandemic period.

17. The Complainants further submitted that although the proceedings relating to the alleged FTL/Komati Kunta water body specifically affected Blocks 8 and 9, the Respondent cannot rely upon the said proceedings to justify the entire period of delay without establishing the precise period during which construction of the subject Block 9 was actually restrained and the direct nexus between such restraint and the delay in handing over possession. It was contended that the Hon'ble High Court, vide order dated 18.10.2023, permitted construction to proceed in the other blocks, while construction of Blocks 8 and 9 remained affected by the proceedings and subsequent re-survey. The Complainants submitted that HMDA subsequently permitted construction of Blocks 8 and 9 vide order dated 26.09.2025, subject to compliance with the conditions stipulated therein, and therefore the Respondent was required to establish

that the entire delay in respect of the subject apartment was solely attributable to such judicial and statutory intervention. It was further submitted that the Respondent had continued to raise construction-linked demands despite the pendency of the aforesaid proceedings and statutory compliances.

18. It was also submitted that the Respondent had repeatedly revised the possession timelines and failed to provide a definite date for completion and lawful handover of the subject apartment. The Complainants alleged that the Respondent failed to furnish complete information and supporting documents relating to the pending statutory compliances, including the Rectification Deed and connected approvals, despite requests made by them. It was further alleged that the Respondent sought to insist upon registration of the apartment on a "fit-out" basis prior to completion of the project and obtaining the Occupancy Certificate and also sought to levy an additional "debris charge" of ₹30,000/- which is not contemplated under the Agreement of Sale.

19. 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.

20. 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:

21. 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

22. The relationship between the parties as allottee and promoter under the Agreement of Sale dated 02.12.2021 is undisputed. The project is a registered project under the Act. The grievance pertains to delay in completion and handing over of possession, which squarely falls

within the statutory framework of Section 18 of the Act. The complaint is therefore maintainable.

23. The Agreement of Sale dated 02.12.2021 stipulated the date of possession as 26.12.2024, with a contractual grace period of six months expiring on 26.06.2025. The date of possession as stipulated in the Agreement of Sale shall prevail. Regulatory extensions of RERA registration obtained by the Respondent, or any revised possession timelines uploaded on the TG RERA portal, do not bind the allottees and cannot dilute their contractual and statutory rights. This position is consistent with the principle affirmed by the Bombay High Court in Neelkamal Realtors Suburban Pvt. Ltd. v. Union of India [2017 SCC OnLine Bom 9302] and followed by this Authority in Complaint No. 153 of 2025 and other matters.

24. The Respondent has sought to justify the delay by invoking COVID-19 and other force majeure circumstances. This contention is wholly untenable. The Agreement of Sale was consciously executed on 02.12.2021, well after the onset and substantial subsiding of the pandemic. Having undertaken contractual commitments with full awareness of the prevailing circumstances, the Respondent cannot retrospectively invoke COVID-19, labour shortages, supply-chain disruptions or cost escalations to evade its contractual and statutory obligations under Section 18 of the Act. Force majeure clauses cannot be stretched to cover risks that were known or ought to have been known at the time of entering into the Agreement.

25. The Respondent has heavily relied upon the proceedings relating to alleged encroachment of the Komati Kunta water body, FTL/buffer zone issues, and the consequential High Court and HMDA interventions that restrained construction in Blocks 8 and 9. This Authority has carefully examined the said plea.

26. It is the primary obligation of a promoter, before launching a project and inviting applications from homebuyers, to ensure that the land is free from legal encumbrances, that all statutory clearances are in place, and that the project can be completed within the promised timelines. The duty of due diligence rests squarely on the promoter. An allottee who books a flat on the strength of the promoter’s representations cannot be expected to investigate the title, FTL status, buffer-zone compliance or potential litigation exposure of the project land.

27. The very fact that a PIL and writ petitions came to be filed, that construction in Blocks 8 and 9 had to be stalled by the Hon'ble High Court, and that a re-survey and further HMDA clearance became necessary, demonstrates that the promoter failed to exercise the required due diligence at the stage of project planning and launch. The litigation and the consequential restraint are the direct consequences of the promoter's own acts or omissions. The allottee cannot be made to suffer the consequences of the promoter's negligence or non-due diligence.

28. An allottee cannot be expected to wait indefinitely for possession on account of faults attributable to the promoter. The beneficial object of the Act is to protect the interests of allottees. To permit the promoter to exclude the entire period of judicial/statutory restraint from the computation of delay interest would be to shift the burden of the promoter's own failure onto the innocent allottee is a result that is contrary to the letter and spirit of Section 18 of the Act.

29. Once the promoter has undertaken a binding contractual obligation to deliver possession by a specified date (subject only to the contractual grace period), subsequent difficulties arising from its own failure to secure a clear and litigation-free site cannot be pleaded as a shield against statutory liability under Section 18. The Respondent remained under a continuous obligation to complete the project and hand over lawful possession. The High Court order of 18.10.2023 and the subsequent HMDA order of 26.09.2025 do not extinguish or suspend the promoter's liability inter se the allottees under the Agreement of Sale and the Act.

30. The Complainants have paid ₹30,03,866/- out of the total sale consideration of ₹42,48,750/- without default. Possession has not been handed over even after the expiry of the contractual grace period on 26.06.2025. The Respondent is therefore in clear breach of its contractual obligations under the Agreement of Sale and its statutory obligations under Section 11(4)(a) and Section 18 of the Act.

31. 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 Act to interest for every month of delay from the day following the expiry of the contractual grace period, i.e., from 27.06.2025, until actual handing over of lawful possession. The rate of interest shall be the rate prescribed under

Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, namely SBI MCLR + 2% per annum (presently 10.70% per annum).

32. Insofar as compensation for mental agony, harassment, financial loss or any other head 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'.

33. The levy of additional "debris charges" of ₹30,000/- (or the rationalised amount of ₹20,000/-) by the Respondent is unsupported by the terms of the Agreement of Sale and is contrary to Sections 11(4)(a), 11(4)(d) and 14 of the Act. The demand is held untenable and is directed to be withdrawn.

34. This Authority takes note, with grave concern, that multiple complaints have already been received against the same Respondent arising from the same project. Such a systemic pattern of default, repeated revision of timelines, and disregard for the statutory framework strikes at the foundation of homebuyer confidence. The Act was enacted as a beneficial legislation to protect innocent homebuyers. Any further default, non-compliance or grievance brought by allottees will invite proceedings under Section 63 of the Act.

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

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

a. 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), computed on the amounts paid, with effect from 27.06.2025 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 $10^{th}$ day of each succeeding month, until possession is delivered.

b. 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.

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

d. The Respondent is directed to withdraw the demand of levying debris charges which is not a part of the Agreement of Sale.

e. 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.

f. 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.

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



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