BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 191/2025/TG RERA
Dated: 2nd 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

Santhosh Padakanti,
(Flat no:301, sri sai arcade apartments
Mythri Nagar, Madinaguda
Hyderabad, 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,
4th Floor, Vasavi Corporate Building, Amrutha Valley Apartments,
Road No. 12, Banjara Hills, Hyderabad, Telangana – 500034)

…Respondent

The present matter filed by the Complainant herein came up for hearing on 11.07.2025 before this Authority in the presence of the 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 "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 Respondents.

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

3. It was submitted that the Complainant had purchased a flat in the "Vasavi Lake City" project in the year 2022. The said purchase was made based on representations in advertisements, information on the project's website, and personal interactions with the

Respondent's marketing team, which had highlighted the project as a well-planned and timely development.

4. It was stated that the Complainant had paid ninety percent of the total consideration for the flat under the belief that the project was progressing on schedule. It was further submitted that the Complainant had received a personal assurance from Sri Yerram Vijay Kumar that the handover of the flat would take place by August 2024, with a possibility of possession being delivered even before the committed deadline.

5. It was contended that despite these assurances, the project had faced unjustified delays and, as of February 2025, remained incomplete. It was alleged that the Respondent had continuously postponed the handover date, providing vague reasons and false assurances without communicating a clear timeline for completion or demonstrating any actual progress. The delay had left the Complainant in a state of uncertainty and financial distress.

6. It was further submitted that as of January 2025, the project was only an estimated sixty to seventy percent completed, and no significant work had been carried out since that time. Key aspects such as interior finishing, common amenities, and supporting infrastructure remained unfinished. It was alleged that despite multiple follow-ups, the Respondent had failed to provide a clear roadmap or a completion schedule.

7. It was submitted that the continued delay in handing over possession constituted a serious violation of the provisions of the RERA Act. It was contended that by collecting ninety percent of the payment and subsequently failing to fulfill its contractual and promised obligations, the Respondent had clearly breached the governing guidelines. The complaint was therefore filed to seek urgent intervention, financial compensation, and strict action against the Respondent for the prolonged delay, which had caused the Complainant significant financial strain, mental stress, and emotional distress.

B. Reliefs Sought

8. Accordingly, the Complainant sought the following reliefs:

i. To direct the Respondent to forthwith complete all pending construction and hand over possession of the subject flat to the Complainant at the earliest, within a fixed and enforceable timeframe to be determined by this Honourable Authority, failing which to impose strict penalties upon the Respondent.

ii. To direct the Respondent to pay interest on the total amount paid by the Complainant, calculated from the promised date of possession in August 2024 until the actual date of handover, at the rate prescribed under Section 18 of the Real Estate (Regulation and Development) Act, 2016.

iii. To direct the Respondent to pay adequate compensation to the Complainant for the severe mental distress, financial strain, and disruption to personal and professional life suffered as a result of the Respondent's negligence, false promises, and the prolonged delay in the completion of the project.

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. 050201 on the 2nd Floor of Tower 5, admeasuring 1915 sq. ft., and an undivided share of 51 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. 91,39,000/- out of which the complainant paid Rs. 20,88,000/-

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 regarding maintainability, that the said objection was baseless, vague, and legally untenable. The complaint had been filed under the provisions of the Real Estate (Regulation and Development) Act, 2016, seeking redressal for the inordinate delay. It was stated that the Agreement of Sale dated 21st February 2022 clearly stipulated the committed date of possession as 31st August 2024, and as possession had not been granted by the date of filing the complaint on 22nd February 2025, the application was legally maintainable.

21. In response to the contention that the applicant had not availed methods as provided in the agreement, it was submitted that all relevant evidence, including the Minutes of Meetings (MOMs) and Form-M, had already been submitted, and that multiple attempts had been made to establish contact with the builder.

22. The objection regarding the non-issuance of a legal notice was addressed. It was submitted that RERA did not mandate a legal notice as a precondition. Moreover, the issue of delay had been repeatedly raised by the Complainant during multiple in-person meetings organized by the Respondent, making the Respondent well aware of the grievance.

23. The Respondent's statements regarding development rights, permissions for construction, RERA registration, and the payment of the booking amount were noted as not being 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 date of possession as 31st August 2024.

25. With regard to the extension of the project's registration, it was submitted that as per the Agreement of Sale dated 21st February 2022, possession was committed by 31st August 2024, and even with a six-month grace period, the Respondent had exceeded the timeline. The reference to the "Schedule of amenities" was described as irrelevant to the core issue of failure to deliver possession.

26. The Respondent's reliance on *force majeure* was addressed. It was argued that Clause 7.1 of the agreement itself stated that timely delivery was the essence of the contract. The *force majeure* claim concerning COVID-19 was stated to be inapplicable as the agreement was executed on 21st February 2022, towards the end of the COVID-19 period, when the promoter was aware of its impact.

27. While the interpretation of Clause 7.2 was agreed upon, it was submitted that the Respondent had not obtained the Occupancy Certificate (OC) nor had any written offer of possession been made. This, it was argued, made it explicitly clear that the Respondent was in continuing breach of Clause 7.1. It was further contended that Clause 9 of the Agreement, which defined events of default by the promoter, was squarely applicable.

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 not disputed, the Agreement of Sale was executed on 21st February 2022, when nationwide lockdowns had been lifted and construction had resumed. Therefore, COVID-19 could not be cited as an unforeseeable *force majeure* event.

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, especially when the Respondent had previously attributed the delay to funding constraints and legal issues.

31. It was submitted that while the labor disruptions of early 2020 were acknowledged, they did not justify a delay for a contract entered into in February 2022, well after the peak of the crisis.

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 and that during multiple meetings, the Respondents themselves had cited funding constraints and legal issues as the primary reasons for the delay.

33. The Complainant strongly denied the Respondent's assertion that the possession date was a "clerical or typo mistake." It was submitted that this date appeared multiple times in the contract and was consistent with the Respondent's commitment at the time of execution. It was also noted that the Respondent had executed multiple agreements with the same timeline during that period, which further defeated the "error" claim.

34. The claim that the complaint was baseless or malicious was categorically denied. It was argued that while the Respondent may have secured an extension of RERA registration, this did not alter or override their contractual commitment to the Complainant, which was governed by the individual Agreement of Sale.

35. It was acknowledged that a general communication regarding third-party disputes was received in January 2025, but it was submitted that this information was shared well after the committed possession date and the grace period had already expired.

36. It was acknowledged that the Respondent had communicated updates during meetings. However, it was argued that informal updates or phased assurances could not override the express contractual commitment made in the Agreement of Sale. The relief sought was described as a reasonable and lawful statutory right.

37. It was respectfully submitted that the entitlement to interest for delay was not discretionary, but a statutory right triggered when the promoter failed to deliver possession within the stipulated timeframe. The denial of interest based on subjective justifications was stated to undermine the statutory protections intended for allottees.

38. It was submitted that the primary relief sought in the complaint was interest for delay, which was a statutory right and did not require separate proof of mental agony. It was argued that if compensation was sought, it was based on the real disruption in planning, finances, and stability for the Complainant, which was not hypothetical or whimsical.

39. It was submitted that 90% of the flat cost had been paid strictly in accordance with the payment schedule, with the remaining 10% due only at the time of registration and possession.

The claim that the Complainant was "in arrears" was described as factually incorrect and legally unsustainable.

40. The Complainant denied having ever waived the right to claim delay-related relief. The claim of "rocky terrain" was described as a new justification introduced only in the counter, and it was argued that such site assessments were the developer's responsibility and were expected to be factored into the project plan.

41. The statement that the Complainant was not entitled to any relief was described as a general denial, unsupported by specific facts. It was submitted that the Respondent had failed to demonstrate that any *force majeure* conditions occurred after the execution of the Agreement of Sale.

42. The Complainant took strong objection to the characterization of the complaint as "preposterous" or "false." It was submitted that the complaint had been filed in good faith based on the documented delay. The Respondent's claimed reputation or efforts could not override contractual and legal obligations. The Complainant respectfully prayed that the Hon'ble Authority direct the Respondent to compensate for the delay and ensure timely possession with an Occupancy Certificate.

E. Points for Consideration:

43. 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:

44. 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. The Authority finds this objection untenable for the following reasons:

45. 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 ot 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, falling which the same shall be settled through adjudication officer appointed under the Act.*

46. 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.

47. 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.

48. 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.

49. 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 Sub-section (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."**

50. 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, L986 os 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 ercor committed by Consumer Forum on rejecting the application. There is reason for not interjecting proceedings under Consumer Protection Act on the strength 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."

51. 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: Delay in Possession

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

53. It is the case of the Complainants that the Agreement of Sale in 21.02. 2022, executed between the parties, clearly stipulated that possession of the subject flat would be handed over by 31.08.2024, with a grace period of six months, ending on 28.02.2025. The Respondent has failed to hand over possession even as on date. Further, although the project was registered with TG RERA up to February 2025 and later extended until February 2026, the project remains incomplete.

54. The Complainant submits that the Respondent has repeatedly given false assurances of completion, while allottees continue to suffer. 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.

(i) ***Whether the Covid-19 pandemic, third-party litigations, or rocky site conditions can be taken as a valid shield by the Respondent in the present case?***

55. This Authority finds no merit in such contentions. The Agreement of Sale was admittedly executed on 21.02.2022, much after the onset and near subsiding of the Covid-19 pandemic. The Respondent, being fully aware of the prevailing global circumstances, nevertheless executed the Agreement by specifically assuring completion of the project by August 2024 with the grace period of 6 months i.e 28.02.2025. Having consciously undertaken such a commitment, the Respondent cannot now, with retrospective justification, rely on Covid-19 as a defence to escape its contractual and statutory obligations. Such conduct clearly amounts to holding out false assurances with mala fide intent.

56. It is a settled principle that once a promoter has chosen to register a project and enter into binding contractual commitments with allottees, he does so with full knowledge of the risks, constraints, and challenges of the market. At the time of entering into the Agreement of Sale with the present Complainant, the Respondent was already aware of the COVID-related disruptions, as well as the Government notifications granting moratoriums for project

completion timelines. Despite this knowledge, the Respondent chose to provide a specific assurance of delivery by August 2024 with the grace period of 6 months, i.e 28.02.2025.

57. 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…".*

58. 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.

59. 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

60. 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.

61. 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."

62. 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 notifications issued by the 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).

63. 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.

64. 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"*

65. 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.

66. 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:

67. It is noted that both the Complainant and the Respondent, in their respective pleadings and rejoinder, have admitted that an amount of Rs. 20,88,000/- was paid by the Complainant at the time of booking. Furthermore, documentary evidence in the form of bank statements transactions has been placed on record, confirming that subsequent disbursements were made through a sanctioned housing loan, thereby resulting in approximately 90% of the total sale consideration being paid to the Respondent.

68. Despite having received such substantial sums, the Respondent has failed to fulfil its contractual obligations under the Agreement of Sale. It is evident that the Respondent provided false assurances regarding the timeline for completion, despite being fully aware of the prevailing market conditions and its own limitations in executing the project.

69. More time has elapsed beyond the expiry of the agreed grace period, yet the project remains incomplete, and possession has not been handed over to the Complainant. Such conduct constitutes a clear violation of the Respondent's statutory obligations under the RE(R&D) Act, 2016 and is indicative of willful delay and misrepresentation

70. The Respondent further seeks to shift the burden on the complainant by contending that the balance amount is unpaid. This plea is untenable. The law does not permit a defaulter to take advantage of its own breach. As held by the Hon'ble Supreme Court in ***Kusheshwar Prasad Singh v. State of Bihar [Civil Appeal No. 7357 of 2000]:***

> *It is settled principle of law that a man cannot be permitted to take undue and unfair advantage of his own wrong to gain favourable interpretation of law. It is sound principle that he, who prevents a thing from being done shall not avail himself of the non-performance he has occasioned. To put it differently, "a wrongdoer ought not to be permitted to make a profit out of his own wrong.*

71. Therefore, the contention that the complainant has not paid the total balance is rejected. A promoter in default cannot compel an allottee to keep paying indefinitely, especially when no tangible progress exists and timelines are unilaterally extended to cover its own deficiencies..

72. Now, Section 18 of the RE(R&D) Act 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. At the same time, if the Complainant has indeed defaulted in adhering to the payment schedule, the Respondent is not without remedy. Sections 19(6) and 19(7) of the Act confer upon the promoter a right to claim interest for delayed payments, as per Rule 15 of the Telangana RE(R&D) Rules, 2017. Nevertheless, such entitlement shall be subject to the Respondent producing cogent and substantive documents demonstrating both the stage-wise progress of construction and the corresponding default, and not merely based on unilateral assertions.

77. In the present case, this Authority finds the Respondent in clear breach of both statutory and contractual obligations. The Complainant is therefore entitled to interest at the prescribed rate for the entire period of delay, i.e., from 01.03.2024 until the actual date of handing over possession. As regards claims of compensation, this Authority notes that jurisdiction for adjudicating compensation lies with the Adjudicating Officer under Section 71 of RE(R&D) Act with Form 'N'. The Complainant is at liberty to pursue such remedy separately.

78. Accordingly, while the Complainant is entitled to relief under Section 18 of the RE(R&D) Act, this entitlement is subject to the reciprocal statutory duty of the Complainant to discharge any outstanding amounts under the payment plan, if not already paid. Compliance on both sides is essential to ensure balance of obligations and timely delivery.

79. 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.

80. 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.

81. 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.

82. This Authority shall not hesitate to take the strictest view in future, for the 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.

83. The Respondent is hereby directed to complete the project and hand over possession to the Complainants within the stipulated period. The Authority has also taken note of the contention of the Respondent that the Complainants did not adhere to the payment schedule, which was linked to the progress of construction. However, it is observed that the Respondent has failed to produce any documentary evidence showing that reminder notices or formal demands were issued to the Complainants in this regard.

84. In the event the Complainants have defaulted in making payments as per the agreed schedule, the Respondent shall be entitled, under Section 19(6) of the Real Estate (Regulation and Development) Act, 2016, to claim interest on such delayed payments in accordance with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017. Nevertheless, such entitlement shall be subject to the Respondent producing cogent and substantive documents demonstrating both the stage-wise progress of construction and the corresponding default, and not merely based on unilateral assertions.

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85. The Complainants are, in turn, directed to discharge any balance amounts due under the agreed payment schedule, if not already paid. Mutual compliance is essential to ensure timely completion and delivery of the project

G. Directions of the Authority:

86. 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 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.
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.
h. 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.

87. 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.

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

89. 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

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

Sd/-	**Sd/-**	**Sd/-**
Sri. K. Srinivas Rao,	**Sri. Laxmi Narayana Jannu,**	**Dr. N. Satyanarayana, IAS (Retd.),**
Hon'ble Member	**Hon'ble Member**	**Hon'ble Chairperson**
TG RERA	**TG RERA**	**TG RERA**