

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**Complaint No. 291 of 2025**

**Dated: 28<sup>th</sup> March, 2026**

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

**1. R. Vijaylakshmi,**

**2. K. Rajesh Kannan,**

*R/o: Door No. 5-61, Near Church, Shankarpally Main Road,  
Mokila Village, Shankarpally Mandal,  
Ranga Reddy District, Telangana - 501203.*

*...Complainant*

*Versus*

**M/s PVR Developers India Private Limited,**

*Represented by its Managing Director, Parimi Venkata Ramana,*

*O/o: Plot No. 122, 3rd Floor, Survey No. 66/3,*

*Prashanthi Hills Colony, Raidurgam, Khajahuda Road,  
Hyderabad, Telangana - 500008.*

*...Respondent*

The present matter filed by the Complainant mentioned herein above came up for hearing before this Authority in the presence of the Complainant in person, and Counsel for Respondent M/s Prodigium Law Chambers, Rep by S.K. Patil Advocates & Associates, 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 "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. Brief facts of the case:**

3. It is submitted that on 24.02.2024, the Complainants booked a residential flat in a project known as "PVR Kshetra", situated at Shankarpally, being developed by M/s. PVR

Developers India Pvt. Ltd. It is stated that the said project is registered with the Telangana State Real Estate Regulatory Authority bearing Registration No. P02400003147.

4. It is submitted that based on the assurances and representations made by the developer regarding timely construction and delivery of the flat, the Complainant paid a total sum of ₹44,00,000/- (Rupees Forty-Four Lakhs only) towards the cost of the flat. It is stated that the said amount constitutes approximately 70% of the total sale consideration and that the payments were made in good faith with the expectation that the developer would adhere to the project timeline and commitments.

5. It is further submitted that from March 2024 onwards, the construction activities at the project site came to a complete halt. Despite stoppage of work at site, the developer allegedly continued to collect monthly payments from the Complainant by making repeated assurances that construction would resume shortly. According to the Complainant, follow-up attempts were met with vague assurances with no real progress on the ground.

6. It is submitted that the Complainants made several attempts to meet the Managing Director of the developer company. It is stated that the Customer Relationship Manager (CRM) avoided facilitating any direct communication with the Managing Director and remained the sole point of contact and the responses gradually became irregular and were largely confined to WhatsApp communications.

7. The Complainants have stated that most of the original staff associated with the project have since left the company and that the identity and accessibility of the Managing Director remain unclear. It is further submitted that from March, the official websites of the developer became inaccessible and that the phone numbers earlier provided for communication are no longer reachable.

8. It is submitted that the prolonged uncertainty and lack of progress have caused severe financial hardship and mental distress to the Complainant and his family. The Complainant states that in the absence of any clarity or response from the developer, he has been left with no alternative remedy and has therefore approached this Hon'ble Authority seeking appropriate relief, accountability, and recovery of the amount invested.

**B. Relief(s) Sought:**

9. Accordingly, the Complainant sought the following reliefs:

- i. *To kindly terminate the sale agreement and issue a direction to M/s PVR Developers India Private Limited to refund the amount of ₹44 lakhs paid so far, along with interest at the rate of 18% as stated by the developer in the sale deed under Point No. 9.2, Module (iii) immediately.*

**C. Counter on behalf of Respondent:**

10. At the outset, the Respondent unequivocally and categorically denies each and every allegation, assertion, inference and imputation made in the Complaint, save and except those which are specifically admitted herein. Any averment not expressly admitted is denied in toto. The Complaint is misconceived on facts, untenable in law, procedurally defective and contractually unfounded.

11. It is submitted that the relationship between the parties is governed by the Sale Agreement dated 24.02.2024, which comprehensively stipulates the terms and conditions relating to consideration, payment milestones, possession timelines and remedies available to the parties. The total sale consideration agreed for Flat No. 214 is ₹58,13,783/- (Rupees Fifty-Eight Lakhs Thirteen Thousand Seven Hundred Eighty-Three only). Out of the said amount, a sum of ₹44,00,000/- has been paid by the Complainant in accordance with the milestone-linked payment schedule prescribed under Clause 1.2 and Annexure-C of the Sale Agreement. The Respondent duly acknowledges receipt of the said amount and submits that no illegal, arbitrary or additional demands were ever raised beyond what is contractually stipulated.

12. The Respondent has further relied upon Clause 7.1 of the Sale Agreement, which provides that possession shall be handed over by January 2025 with an additional grace period of six months. Accordingly, the permissible contractual possession period extends up to 31.07.2025. It is the specific contention of the Respondent that the complaint was filed on 26.04.2025, during the subsistence of the grace period, and therefore, as on the date of filing of the complaint, no breach of obligation had occurred. The Respondent has contended that the allegation of delay is false and misleading.

13. With regard to the reliefs sought by the Complainant, the Respondent has denied the same. It is submitted that there exists no cause for termination of the Sale Agreement. According to the Respondent, as per Clause 7.1 of the Agreement, time for delivery of possession subsists till July 2025 and the Complainant has prematurely approached this Authority without waiting for the contractual period to lapse.

14. It is further contended that the Complainant has not adhered to Clause 34 of the Sale Agreement, which mandates resolution of disputes through mutual discussion prior to approaching any legal forum. According to the Respondent, no such discussion was initiated and no opportunity was given to the Respondent to resolve the grievance amicably. The Respondent has contended that the prayer for refund of ₹44,00,000/- along with interest at 18% per annum is wholly unjustified, as there is no breach on its part, no invocation of the termination process as per Clause 9.2(ii), and no force majeure or justified cause for withdrawal under Clause 7.5 of the Sale Agreement.

15. The Respondent has stated that the project is under active construction, that brickwork has been completed and plastering work is underway. It is asserted that the Respondent has invested substantial resources and is committed to timely delivery of the project. Photographs evidencing the progress of construction have been filed along with the counter.

16. The Respondent has further submitted that it has at all times operated with valid title, permissions and statutory approvals, including TG RERA registration bearing No. P02400003147 and sanctioned building plans issued by HMDA. It is stated that these facts are duly documented and remain uncontroverted. The Respondent has relied upon Clauses 6 and 8 of the Sale Agreement to contend that all legal and regulatory prerequisites have been satisfied. It is further asserted that there are no encumbrances, litigation issues or jurisdictional barriers obstructing completion of the project or delivery of possession. Copies of the RERA Registration Certificate and HMDA approval letter showing their validity periods have been filed.

17. With regard to the allegations of lack of communication, the Respondent has denied the same and has stated that any temporary disruption in Customer Relationship Management services and digital platforms occurred due to operational restructuring and upgrades, which have since been resolved. It is submitted that a dedicated CRM team and help desk are currently functional and addressing customer queries. The Respondent has asserted that it has never disengaged from or evaded communication with any allottee and that reasonable efforts have always been made to provide project updates.

18. In respect of the prayer seeking interim directions restraining the movement or presence of the Managing Director within Hyderabad, the Respondent has contended that such relief is extraordinary, legally unsustainable and factually baseless. It is stated that the Managing Director resides within the jurisdiction, attends proceedings as directed and has not avoided or

obstructed the process. According to the Respondent, neither the Sale Agreement nor the law recognizes such a relief in the absence of any evidence of obstruction.

19. The Respondent has asserted that no case of abandonment, fraudulent conduct or refusal to deliver possession has been made out. It is reiterated that the contractual deadline expires only in July 2025. The Respondent has contended that the reliefs sought are disproportionate, unsupported by evidence and contrary to the mutually agreed contractual terms.

20. By way of additional submissions, the Respondent has stated that the project registration is valid up to 25.11.2025 and that the sanctioned building plan issued by HMDA is valid up to April 2027. It is further stated that while force majeure is not being invoked at this stage, the Respondent reserves the right to do so in accordance with law if circumstances beyond its control arise. It is also contended that the Complainant has failed to follow the dispute resolution process under Clauses 9.1, 9.2 and 34 of the Sale Agreement and has not issued any termination notice as required.

21. The Respondent has alleged that the present complaint appears to be an attempt to exit the project prematurely without adhering to contractual obligations. It is asserted that the Respondent has neither abandoned the project nor misappropriated funds and remains committed to delivering possession within the agreed timeframe.

22. Without prejudice to the above submissions, and in the interest of transparency and cooperation with this Authority, the Respondent has sought reasonable extension of time to deliver possession, considering administrative delays, seasonal interruptions and manpower availability. The Respondent has undertaken to continue updating all stakeholders, including this Authority, on the progress of the project.

23. In view of the above submissions, the Respondent prays that this Hon'ble Authority may be pleased to dismiss the Complaint as premature, contractually untenable and devoid of cause; reject the Complainant's demand for refund and interest, as no default has occurred; take on record that the Respondent is within permissible timelines under the Sale Agreement and registration; grant reasonable extension of time for delivery of possession, if deemed fit; accept the supporting documents evidencing ongoing construction and bona fides; and pass such other order or orders as this Hon'ble Authority may deem fit.

#### **D. Rejoinder filed by Complainants:**

24. The Complainants have categorically and unequivocally denied each and every allegation, assertion, inference and contention raised therein, except those which are specifically admitted. The Complainants contend that the Counter Reply contains factual inaccuracies and legally unsustainable submissions and reflects an attempt by the Respondent to avoid contractual responsibilities and accountability for the delay and deficiency in service. It is asserted that the Respondent has deliberately suppressed material facts which are central to the present dispute and necessary for a proper appreciation of the Respondent's conduct.

25. The Complainants reiterate that, as stated in the original complaint dated 26.04.2025, construction activities at the project site came to a complete halt from March 2024 onwards and that no meaningful work was carried out thereafter. It is submitted that the project remained abandoned for a prolonged period extending from March 2024 till June 2025, covering more than fourteen months, including the contractual possession deadline of January 2025 and a substantial portion of the grace period claimed by the Respondent. The Complainants submit that during this entire period, despite repeated assurances, the Respondent failed to resume construction or demonstrate any tangible progress at the site.

26. It is further submitted that during the said period of prolonged inaction, the Respondent continued to raise and collect monthly payments from the Complainants until June 2025, on the basis of repeated assurances that construction would resume shortly. According to the Complainants, repeated follow-ups and requests for updates were met only with vague and non-committal responses, without any concrete timeline or action on the ground. The Complainants assert that the complaint was not filed on account of routine construction delay but was necessitated by the Respondent's complete abandonment of the project at a critical stage, despite having already collected ₹44,00,000/-, which constitutes nearly seventy-five percent of the total consideration.

27. In support of these contentions, the Complainants have relied upon various email communications and WhatsApp messages placed on record. It is stated that an email dated 16.09.2024 sent by the Respondent itself confirms that construction would commence only by 30.09.2024, thereby acknowledging that no work was undertaken for several months after March 2024. The Complainants further rely on an email dated 20.12.2024 from the Respondent's CRM Manager referring to initiation of refund discussions, which according to the Complainants amounts to a tacit acknowledgment of prolonged non-performance. It is also

submitted that WhatsApp communications dated 17.02.2025, 07.04.2025, 15.04.2025, 31.05.2025, 02.06.2025 and 20.06.2025 demonstrate repeated attempts by the Complainants to seek updates, lack of clarity even within the Respondent's organisation, and continued inaction at the site, thereby evidencing effective abandonment of the project.

28. The Complainants further submit that even after the first hearing before this Authority on 15.07.2025, the Respondent's representative contacted the Complainants requesting withdrawal of the complaint in exchange for verbal assurances of completing construction within one year. It is stated that the Complainants declined the said request due to the prolonged inaction and absence of any credible or binding commitment, and the same was communicated by email dated 20.07.2025, which was acknowledged by the Respondent on 22.07.2025. According to the Complainants, this sequence further demonstrates that informal assurances could not be relied upon and that continuation of the legal proceedings was justified.

29. With regard to the Respondent's contention that the complaint is premature on the ground that a six-month grace period was available under the Agreement for Sale, the Complainants submit that Clause 7.1 of the Agreement does not grant an automatic or unconditional extension. It is asserted that the grace period is expressly linked to Force Majeure conditions, which must be genuine, documented and communicated. The Complainants submit that no Force Majeure event was ever invoked, notified or substantiated by the Respondent, either under the Agreement or otherwise. It is further submitted that the Respondent's own admission that there was no Force Majeure negates its claim for extension of time and renders the plea of prematurity untenable.

30. In response to the Respondent's contention that the Complainants failed to adhere to Clause 34 of the Agreement relating to mutual discussion, the Complainants submit that they made consistent and bona fide efforts to resolve the issues amicably through repeated emails, WhatsApp communications and follow-ups, all of which are placed on record. It is asserted that Clause 34 is directory in nature and does not bar access to this Authority or override statutory rights under the Real Estate (Regulation and Development) Act, 2016. The Complainants further submit that, given the prolonged abandonment of the project and absence of meaningful response, they had no alternative but to seek relief under Section 18(1)(a) of the Act.

31. With respect to the Respondent's submission that construction is actively progressing and that brickwork and plastering are underway, the Complainants dispute the same and

contend that the photographs relied upon by the Respondent selectively depict only limited portions of the structure and create a misleading impression. It is stated that other portions of the building remain structurally incomplete and that even brickwork has not been completed uniformly. The Complainants rely upon photographs and communications shared by the Respondent's own CRM to demonstrate the actual condition of the project site.

32. The Complainants further contend that the Respondent's assertion of commitment to timely delivery is unsupported by the record. It is stated that possession was contractually due by January 2025 and that the Respondent is not entitled to claim the grace period in the absence of Force Majeure. The Complainants submit that the Respondent's own request for extension and use of vague expressions such as "at the earliest" reflects inability to commit to any definite completion timeline, particularly after an unexplained construction halt of more than fourteen months.

33. While not disputing that statutory approvals such as RERA registration and sanctioned plans exist, the Complainants submit that such approvals do not absolve the Respondent from its contractual obligations or justify prolonged non-performance. It is contended that reliance on approvals cannot override the factual reality of delay and abandonment, as demonstrated by the Respondent's own communications and the condition of the project.

34. The Complainants also deny the Respondent's claim that there was no lapse in communication. It is asserted that the record clearly demonstrates prolonged non-responsiveness, non-functional websites, unreachable contact numbers and lack of any effective channel of communication during critical periods. The Complainants state that even the Respondent's employees expressed uncertainty and inability to obtain instructions from management, which further aggravated the Complainants' distress.

35. With regard to the interim relief sought concerning the Managing Director, the Complainants clarify that the same was not intended to impose any personal restraint but was sought only to ensure accountability and responsiveness in light of prolonged inaccessibility and uncertainty. It is submitted that the request was made in the backdrop of complete lack of communication and fear that the Respondent had withdrawn from the project altogether.

36. The Complainants reiterate that the agreed delivery date of January 2025 was a decisive factor in their decision to invest and that the prolonged abandonment of the project from March 2024 to June 2025, coupled with lack of communication and transparency, caused severe mental and financial distress. The Complainants assert that procedural explanations offered by

the Respondent cannot overshadow the fundamental issue of prolonged non-performance and inaction. Accordingly, the Complainants pray for a direction to the Respondent to refund the total amount of Rs.44,00,000/- along with interest at the rate of 18%; compensation for mental and emotional distress; holding the Respondent accountable for wilful default and inordinate delay in completing the construction and handing over the possession; to reject the Respondent's plea of Force Majeure and request for further extension; acknowledging the complete abandonment of the project site for over 15 months and the Respondent's failure to provide timely updates; and to pass such other orders as this Hon'ble Authority deems fit.

**E. Points to be determined:**

37. Based on the facts and circumstances placed before this Authority, the following questions arise for adjudication:

I. Whether the Complainant is entitled to the relief sought? If so, to what extent?

**F. Observations of the Authority:**

38. This Authority has carefully examined the pleadings, documents placed on record and the submissions advanced by the parties. It is not in dispute that the Complainants booked a residential flat in the project "PVR Kshetra" developed by the Respondent, and that the relationship between the parties is governed by the Agreement for Sale dated 24.02.2024. The said project is registered with this Authority bearing Registration No. P02400003147. It is also an admitted position that the total sale consideration for the subject flat is ₹58,13,783/-. The Respondent has unequivocally acknowledged receipt of ₹44,00,000/- from the Complainants, which constitutes a substantial portion of the total consideration. The factum of payment and the quantum thereof are not in dispute.

39. The Complainants contend that after booking the flat and making substantial payments, construction activity at the project site came to a complete halt from March 2024 onwards. According to the Complainants, despite repeated follow-ups, the Respondent failed to resume construction and continued to provide vague assurances without any tangible progress on the ground. The Complainants have further alleged prolonged non-communication, lack of transparency and uncertainty regarding the completion of the project, which compelled them to approach this Authority seeking refund under the provisions of the RE(R&D) Act.

40. Per contra, the Respondent has denied the allegations of stoppage and abandonment and has contended that the project is under active construction, with brickwork completed and

plastering underway. The Respondent has relied upon Clause 7.1 of the Agreement for Sale to contend that possession was contractually due by January 2025 with an additional grace period of six months and that the complaint filed on 26.04.2025 is premature. The Respondent has also raised an objection that the Complainants failed to adhere to the dispute resolution mechanism under Clause 34 of the Agreement for Sale before approaching this Authority.

41. The core dispute between the parties thus centres around the issue of progress of construction, the alleged stoppage of work from March 2024 onwards, and the Respondent's reliance on the contractual possession timeline, including the grace period stipulated under Clause 7.1 of the Agreement for Sale. While the Respondent asserts that construction is ongoing, the Complainants maintain that construction activity ceased for a prolonged period and that the Respondent failed to honour its contractual assurances.

42. The first objection raised by the Respondent pertains to the alleged non-compliance by the Complainants with the dispute resolution process under Clause 34 of the Agreement for Sale dated 24.02.2024.

The relevant Dispute Resolution clause in the Agreement of Sale is reproduced below for reference:

*“34. All or any disputes arising out or 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.”*

43. A plain reading of the said clause makes it evident that the clause requires the parties for an amicable settlement by mutual discussion. Such a clause is at best directory and cannot oust or restrict the statutory jurisdiction of this Authority.

44. 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.

45. 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.

46. 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 Subsection (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.”*

47. 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, 1986 as 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 error 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."*

48. 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, 2016. 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. Accordingly, the objection raised by the Respondent under Clause 34 of the Agreement of Sale is untenable.

49. Coming to the issue of progress of construction, the Complainants allege that construction activity stopped from March 2024 onwards, while the Respondent asserts that construction is ongoing. Without delving deeply into the merits of these rival factual assertions at this stage, this Authority notes that the Respondent has failed to upload the quarterly progress reports as mandated under the provisions of the RE(R&D) Act and the Rules framed thereunder, despite issuance of show cause notices for the same. Such non-compliance itself raises serious concerns regarding transparency and disclosure.

50. Even the photographs placed on record by the Respondent demonstrate that the project is still under construction and is neither complete nor in a habitable condition. The materials on record do not indicate that the project has reached a stage where possession of the flat could be lawfully or practically handed over to the Complainants any soon. The Respondent's own request in the counter for reasonable extension of time for delivery of possession further reinforces the position that the project is not yet complete.

51. The Respondent has sought to justify the filing of the complaint as premature by relying upon Clause 7.1 of the Agreement for Sale. The relevant Dispute Resolution clause in the Agreement of Sale is reproduced below for reference:

*“7.1 Schedule for possession of the said Flat/Apartment - The Developers agrees and understands that timely delivery of possession of the Flat/Apartment to the allottee and the common areas to the association of allottees or the competent authority is the essence of the Agreement. The Developers assures to hand over possession of the Flat/Apartment along with ready and complete common areas with all specifications, amenities and facilities of the project by date: January 2025 in addition a 6 months grace period provided that if allottees have paid the full amount of sale consideration and, unless there is delay or failure due to war, flood, drought, fire, cyclone, earthquake or any other calamity caused by nature or any Court stay or Government order affecting the regular development of the real estate project ("Force Majeure").*

*The date of possession specified above is as per RERA. But the builder/Developer has every right to complete the project before the schedule mentioned in RERA.*

*If, however, the completion of the Project is delayed due to the Force Majeure conditions then the Allottee agrees that the Developer shall be entitled to the extension of time for delivery of possession of the Flat/Apartment, provided that such Force Majeure conditions are not of a nature which make it impossible for the contract to be implemented. The Allottee agrees and confirms that, in the event it becomes impossible for the Developer to implement the project due to Force Majeure conditions, then this allotment shall stand terminated and the Developer shall refund to the Allottee the entire amount received by the Developer from the allotment within 90 days from that date. The Developer shall intimate the allottee about such termination at least thirty days prior to such termination. After refund of the money paid by the Allottee, the Allottee agrees that he/she shall not have any rights, claims etc. against the Developer and that the Developer shall be released and discharged from all its obligations and liabilities under this Agreement.”*

52. It is observed that Clause 7.1 stipulates delivery of possession by January 2025, with a grace period of six months, subject to delays caused by specified Force Majeure events. A careful reading of Clause 7.1 makes it abundantly clear that the grace period is not an automatic or unconditional extension but is contingent upon the existence of circumstances beyond the control of the promoter, such as natural calamities, court stays or government orders.

53. Significantly, during the relevant period there existed no Force Majeure event, the Respondent has also categorically stated in its counter that it is not invoking Force Majeure. In the absence of invocation or substantiation of any Force Majeure event, the Respondent cannot mechanically rely upon the grace period to defeat the Complainants' grievance. The contractual assurance of possession by January 2025, with a conditional grace period, cannot be converted into an open-ended licence to delay delivery.

54. In the present case, the Respondent assured delivery of possession by January 2025, subject to a grace period which is not applicable in the absence of Force Majeure. Although the RERA registration of the project remains valid until 25.11.2025, such registration validity does not ipso facto alter or override the contractual rights of the allottees. The agreed date of possession as per the Agreement for Sale remains binding, and unilateral extensions sought by the promoter cannot be foisted upon the Complainants to their detriment.

55. It is a settled principle that once a promoter chooses to register a project and enter into binding contractual commitments, he does so with full knowledge of the attendant risks, constraints and market realities. At the time of entering into the Agreement for Sale, the Respondent consciously assured delivery by January 2025 with a conditional grace period.

56. This Authority aligns with the observations of the Hon'ble Bombay High Court in *Neelkamal Realtors Suburban Pvt. Ltd. & Anr. v. 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..."*

57. 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.

58. Coming to the relief under Section 18(1) of the RE(R&D) Act, 2016, it is observed that the Complainants have paid ₹44,00,000/- towards the total sale consideration of ₹58,13,783/-. The Agreement for Sale unequivocally stipulates delivery of possession by January 2025, with a conditional grace period which, as discussed above, is not applicable in the present case. Admittedly, possession has not been delivered within the stipulated period.

59. The contention of the Respondent that the construction is active and nearing completion is not substantiated by the material available on record. It is an admitted position that a substantial portion of the sale consideration, to the extent of nearly seventy-five percent, has already been received from the allottees. However, despite such receipt, the Respondent has

failed to fulfil its contractual obligation of delivering possession within the stipulated timeframe.

60. The continued delay, absence of any credible or definitive timeline for completion, and the persisting incompleteness of the project clearly establish a failure on the part of the Respondent to discharge its obligations in a time-bound manner. In this regard, it is pertinent to refer to Section 19(2) of the RE(R&D) Act, which confers upon the allottees a statutory right to be informed of the stage-wise schedule of completion of the project. The said right is not illusory but substantive, and mandates transparency and accountability on the part of the promoter.

61. The Respondent's submission that the delay may be condoned on account of a grace period, and that the complaint is therefore premature, cannot be accepted. Such a contention cannot be used as a shield to justify prolonged inaction or to defeat the legitimate rights of the allottees. An allottee cannot be kept uninformed or in uncertainty regarding the progress of construction and be expected to remain passive. It is further noted that even as on the date of adjudication, the project remains incomplete, despite the lapse of the extended/grace period. The position continues unchanged even at the stage of reserving the present complaint for orders. This persistent non-completion, despite sufficient lapse of time, reinforces the deficiency in performance on the part of the Respondent. In view of the foregoing, this Authority finds considerable merit in the submissions advanced by the Complainant.

62. Under Section 18(1)(a) of the RE(R&D) Act, where the promoter fails to complete or is unable to give possession of an apartment in accordance with the terms of the agreement, the allottee has an unqualified right to withdraw from the project and seek refund of the amount paid along with interest. This statutory right is absolute and not subject to the discretion of the promoter.

63. 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."*

64. 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 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."*

65. In the present case, this Authority is of the considered view that the Complainants have established that despite having paid a substantial portion of the sale consideration, they were subjected to prolonged uncertainty, lack of clarity and absence of meaningful progress at the project site. The Respondent's reliance on the grace period, without invoking or substantiating any Force Majeure event, does not satisfactorily address the Complainants' grievance. The Complainants cannot be expected to wait indefinitely when there is no definite or credible timeline for completion and delivery of possession.

66. Accordingly, this Authority holds that the Complainants are entitled to withdraw from the project and seek refund of the amount paid. Though the Complainants have sought refund of ₹44,00,000/- along with interest at the rate of 18% per annum by placing reliance on Clause 9.2 of the Agreement for Sale, this Authority is required to be guided by the statutory framework governing the rate of interest under the RE(R&D) Act. Section 18 of the Act read with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017 mandates that the rate of interest payable by the promoter to the allottee shall be the State Bank of India's Marginal Cost of Lending Rate (MCLR) plus two percent. The statutory prescription of interest under the RE(R&D) Act and the Rules has overriding effect and prevails over any contrary or higher rate stipulated in a private agreement. Consequently, the Complainants' claim for interest at the rate of 18% per annum cannot be accepted. The Complainants shall instead be entitled to interest at the rate prescribed under the RE(R&D) Rules, 2017 framed thereunder, namely SBI's MCLR plus 2%, calculated from the promised date of possession, i.e., January 2025, until the date of actual realization.

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

67. In exercise of the powers conferred upon this Authority under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, and in furtherance of the findings and conclusions drawn hereinabove, the following directions are hereby issued:

- i. The Respondent is hereby directed to cancel the Agreement of Sale dated 24.02.2024 executed in favour of the Complainants in respect of the subject flat. The Respondent is further directed to refund the entire amount of ₹44,00,000/- (Rupees Forty-Four Lakhs only) received from the Complainants, along with interest at the rate of 10.70% per annum (SBI MCLR of 8.70% + 2%), calculated from the promised date of possession, i.e., January 2025, until the date of actual realization. The said refund together with interest shall be paid to the Complainants within a period of thirty (30) days from the date of receipt of this order.

68. Failing to comply with the above-said direction by the Respondent shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.

69. 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