

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**Complaint No. 187 of 2025**

**Dated: 30<sup>th</sup> December 2025**

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

**1. Sri Addepalli Sai Prasad**

**2. Smt. Addepalli Bala Mounika**

*R/o F.No. 409,*

*ASBL Lake Side, Chaitanya Enclave,*

*Khajaguda, Hyderabad.*

**...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,*

*4<sup>th</sup> 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 final hearing on 11.07.2025 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 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 Complainants, namely Sri Addepalli Sai Prasad and Smt. Addepalli Bala Mounika, had registered a flat, identified as Unit ET021201, in the project

“VASAVI LAKE CITY - EAST WING” in August 2024. The said project was being developed by the Respondent, Vasavi Group, and the unit was acquired from the landowner/co-promoter.

4. It was stated that in accordance with the Development Agreement governing the said transaction, the possession of the flat was contractually stipulated to be handed over by August 2023, which included a grace period of six months. It was contended that the Respondent had failed to deliver possession of the unit within the agreed timeline.

5. It was further submitted that despite repeated requests and follow-ups initiated by the Complainants, the Respondent had failed to provide a concrete and definitive timeline for the completion of the project and the subsequent handover of the unit.

6. It was alleged that the construction work at the project site had been either stalled or significantly delayed. The Complainants contended that the Respondent had provided vague and misleading updates regarding the actual progress of the project and had failed to communicate the specific reasons for the delay in a transparent and timely manner.

7. It was further alleged that the Respondent had attempted to revise the possession date on multiple occasions without providing any valid justification for such extensions. It was also submitted that the amenities promised as part of the project were not being constructed as per the initial representations.

8. It was submitted that the aforesaid delay and the actions of the Respondent had caused the Complainants significant financial and emotional distress. It was stated that they had invested their hard-earned money into the project, were burdened with paying substantial Equated Monthly Instalments (EMIs) to banking institutions, and had been deprived of the timely possession of their home.

#### **B. Reliefs Sought:**

9. Accordingly, the Complainant sought the following reliefs:

- i. To direct the Respondent, Vasavi Group, to forthwith complete all pending works and hand over immediate possession of the flat bearing number ET021201, situated in the project ‘Vasavi Lake City - East Wing’, to the Complainant.
- ii. To direct the Respondent to complete the entire project within a specific and enforceable timeline to be determined by this Honourable Authority.

- iii. To direct the Respondent to pay interest for the period of delay, calculated from the promised date of possession until the actual date of handover, at such rate as prescribed under the provisions of the Real Estate (Regulation and Development) Act, 2016.
- iv. To direct the Respondent to pay adequate compensation to the Complainant for the financial losses, damages, and mental anguish incurred due to the inordinate delay in the completion of the project.
- v. To direct the Respondent to provide a clear and detailed account of the compensation to be paid in lieu of the kitchen platform as previously agreed, and to pay the said amount to the Complainant.
- vi. To direct the Respondent to pay compensation to the Complainant for the discrepancy and reduction in room dimensions from the specifications provided in the Agreement for Sale.
- vii. To impose such penalties upon the Respondent as are deemed appropriate by this Honourable Authority for the violation of the provisions of the Real Estate (Regulation and Development) Act, 2016.
- viii. To pass any such other order or orders as this Honourable Authority may deem fit and proper in the facts and circumstances of the present case.

### **C. Counter filed by the Respondents**

10. 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.

11. It was submitted that the project, "Lake City-East," was developed lawfully after the Respondent obtained rights from the landowners under registered documents, covering a total land area of 34,704.37 sq. yds. The requisite permissions for land conversion and for the construction of multi-storied residential apartments were obtained on 07.02.2020. The project, consisting of multiple towers and a clubhouse, was duly registered with this Authority vide Registration No. P02500001821 dated 20.03.2020.

12. It was further submitted that the Complainant was allotted apartment No. E. 21201 on the 12<sup>th</sup> Floor of Tower 2, admeasuring 2195 sq. ft., and an undivided share of 55.50 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. 54,87,500/-

13. 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 31.08.2024, 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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**

21. It was submitted in response to the preliminary objection on maintainability, that the Respondent's objection was unfounded, vague, and without any legal merit. It was stated that the Complainant had filed the complaint under the Real Estate (Regulation and Development) Act, 2016, seeking relief for the unreasonable delay in delivering possession of the flat. As per the Sale Deed dated 17<sup>th</sup> August 2024, the committed possession date was 31<sup>st</sup> August 2023. However, as of the date of filing the complaint, i.e., 1st March 2025, possession had still not been handed over and the project stood at less than 85% complete. It was further submitted that the Hon'ble Telangana RERA had jurisdiction to entertain such complaints, and therefore, the objection was baseless and ought to be dismissed.

22. 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 in support of the claims. It was further stated that all possible means to establish contact with the builder had been exhausted.

23. The objection regarding the non-issuance of a legal notice was addressed. It was submitted that under the RERA Act, there was no mandatory requirement for an allottee to first issue a legal notice. It was also stated that previous communications, such as MOMs, which showed repeated follow-ups, were usually sufficient evidence that further notice would be futile, especially where there was an evident breach of the Agreement of Sale.

24. The Respondent's statements regarding the lawful development rights for the project and the RERA registration (No. PO2500001821) were noted as not being in dispute. However, regarding the total land area for the project, it was submitted that the figure mentioned by the Respondent was incorrect and the actual area was 34704.37 sq. yds.

25. In response to the details of the flat allotment, it was submitted that as per the RERA Act, the Sale Deed was the primary document. It was pointed out that the committed date of possession, as stated in the Development Agreement, was 36 months plus a 6-month grace period from the date of 7th February 2020.

26. It was submitted that the builder had never proactively informed the complainants about delays or the progress of the project, despite continuous efforts to stay in touch. The project schedule, it was stated, was shared only after repeated follow-ups and even then, the builder had failed to adhere to it.

27. The statement that there were to be no alterations to the sanctioned plan was noted as not being in dispute.

28. Regarding the Respondent's reliance on Clauses 5 and 7 of the Agreement, it was submitted that this was misconceived and contrary to the RERA Act. It was argued that while Clause 7.1 itself stated that timely delivery was the essence of the Agreement, the Respondent's claim that a *force majeure* clause allowed for an automatic extension did not override the statutory right to compensation. It was further submitted that the Respondent had failed to prove any genuine *force majeure* event and that routine construction hurdles did not qualify. The Complainant had made all payments as per the agreement, and the same standard applied to the Promoter.

29. The Respondent's reliance on Clause 7.2 and Clause 9 was described as entirely misplaced. It was submitted that Clause 7.2 was predicated on the Promoter first obtaining the Occupancy Certificate (OC), which was an undisputed fact had not been obtained. It was argued that Clause 9, which dealt with promoter defaults, was squarely applicable as the



committed possession date had lapsed and the project remained incomplete. This, it was submitted, entitled the Complainant to the remedies mentioned therein.

30. The allegation that the complaint was 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. It was contended that the vague allegation of 'material suppression' was an attempt by the Respondent to deflect from their own breach of contractual and statutory obligations.

31. It was not disputed that COVID-19 was a global health emergency. However, it was submitted that the Sale Deed was executed after the onset of the pandemic, with the Promoter having full awareness of the prevailing circumstances when committing to a possession date of 31st August 2023. It was also pointed out that in prior meetings, the Respondent had cited funding constraints and legal issues as reasons for the delay, not the pandemic.

32. The Respondent's reliance on the Hon'ble Supreme Court's extension of limitation periods was described as misconceived and irrelevant. It was argued that those orders had no bearing on the contractual obligation to complete a project on time, especially when the Sale Deed was executed with full knowledge of the COVID-19 situation and the Respondent had previously attributed the delay to other factors like funding constraints.

33. The attempt to justify the delay by citing the migration of labourers during the pandemic was stated to be misplaced and factually unsustainable. It was submitted that the Respondent was fully aware of the pandemic's onset and associated risks when executing the Sale Deed and committing to a possession date. It was argued that the Respondent failed to produce any specific evidence of steps taken to mitigate the impact. Furthermore, the Respondent's own communications had primarily cited funding challenges and legal issues as reasons for the delay.

34. The Respondent's 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 timelines had been provided to justify the delay. It was contended that the general statement that delays were 'intimated to all customers' was misleading.

35. The Complainant submitted that the allegation of repeated delays was supported by ample evidence, including the Sale Deed. The Respondent's assertion that the possession date was a 'clerical or typographical error' was described as an afterthought with no legal basis, amounting to sheer negligence. It was argued that the magnitude of the project was fully known

to the Respondent when the commitment was made, and they could not now disown the express terms of a registered contract.

36. The Respondent's reference to third-party disputes was described as vague and unsubstantiated. It was submitted that the Respondent had not provided any concrete details on how these cases directly prevented construction. It was argued that no evidence was furnished showing any legal restraint orders that halted the project, and at no point did the Respondent serve any formal written notice explaining that these disputes would impact the promised possession date.

37. It was submitted that the Respondent's claim of having sent general communications did not dilute or override the binding contractual obligation under the Sale Deed. The communications were described as vague and did not provide any clear revised timeline for possession. It was contended that it was entirely reasonable and lawful for the Complainant, who had fulfilled all payment obligations, to claim interest and compensation for the delay.

38. The Respondent's assertion that no interest could be claimed was stated to be factually and legally untenable. It was submitted that under the RERA Act, an allottee had an explicit statutory right to claim interest for any delay. The Respondent's reliance on Section 6 (*Force Majeure*) was misconceived, as the Sale Deed was executed after the outbreak of COVID-19, and the Respondent had not demonstrated concrete steps to resume or expedite construction post-lockdown.

39. It was submitted that the Respondent's claim that the demand for compensation was arbitrary was wholly misleading. It was argued that the inordinate delay had caused substantial mental stress and financial hardship, which were well-recognized heads of compensation under RERA, and the claim was proportionate to the loss suffered.

40. The Respondent's statement that they would deliver the flats by February 2026 was submitted as not absolving them of liability for the delay beyond the originally agreed possession date of 31st August 2023. It was argued that a RERA extension of registration did not override the specific contractual possession date. The demand for balance payments was described as premature when the Respondent had failed to deliver possession.

41. The assertion that the Complainant had 'agreed' to the reasons for delay was described as wholly misconceived and not supported by any legally valid consent. It was submitted that merely attending meetings could not be equated with a legal waiver. The argument about rocky



site conditions was described as an internal project risk that the Respondent was expected to assess and plan for.

42. The Complainant denied the averments that they were not entitled to any relief. It was submitted that the Appellant had failed to substantiate its claim that the causes for delay were genuinely beyond its control. It was argued that the reasons cited were self-induced and could have been reasonably foreseen and mitigated.

43. The Respondent's claim that the complaint was 'preposterous' was described as baseless and contrary to the record. It was submitted that the grievance was fully supported by documentary evidence. The Respondent's generic 'undertaking' was stated as not curing the default already committed, and their claim of a 'good name' was irrelevant to the facts of the present complaint. It was prayed that the Respondent's request for dismissal be rejected outright.

#### **E. Points for Consideration**

44. 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:***

45. This Authority has carefully examined the preliminary objection raised by the Respondent with regard to the maintainability of the present Complaint.

46. At the outset, it is noted that although both parties have made reference to and sought to rely upon a purported Agreement of Sale, the said Agreement has not been placed on record before this Authority. In the absence of the said document, this Authority is unable to examine, rely upon, or render any observation on the specific contractual clauses relied upon by the Respondent to question the maintainability of the Complaint.

47. Be that as it may, it is an undisputed and admitted position that a registered Sale Deed has been executed in favour of the Complainant and that the subject flat stands allotted to the

Complainant by the Respondent. The Respondent has neither denied nor disputed the allotment of the subject unit to the Complainant. There is also no dispute with respect to the identity of the unit or the existence of a promoter–allottee relationship between the parties. The project in question is a registered project under the Real Estate (Regulation and Development) Act, 2016, and therefore squarely falls within the jurisdiction of this Authority.

48. The core grievance raised in the present Complaint pertains to the delay in handing over possession of the allotted unit and the failure of the Respondent to complete construction and deliver possession in accordance with the statutory and contractual obligations. Such a grievance clearly falls within the statutory framework of the Real Estate (Regulation and Development) Act, 2016. Section 18 of the said Act expressly provides that where an allottee does not intend to withdraw from the project, the promoter shall be liable to pay interest for every month of delay till the handing over of possession, at such rate as may be prescribed.

49. In the present case, the allotment of the unit is admitted, the Sale Deed has been executed, and the project is a registered project before this Authority. The relief sought by the Complainant, namely, completion of the project and handing over of possession along with statutory interest for delay, squarely falls within the ambit of Section 18 of the RE(R&D) Act, 2016.

50. In view of the above, this Authority finds no merit in the objection raised by the Respondent regarding maintainability. The Complainant cannot be compelled to first pursue an amicable settlement or contractual remedies when the grievance raised is statutory in nature and falls directly within the jurisdiction conferred upon this Authority under the RE(R&D) Act.

51. Accordingly, the objection as to maintainability raised by the Respondent is hereby rejected.

***Point No. 2:***

52. The Complainants have sought relief on the ground that there has been an inordinate delay in handing over possession of the subject flat, despite timely payments of the sale consideration, causing significant financial and emotional distress.

53. It is the case of the Complainants that the Sale Deed for the subject property was executed on 17.08.2024 pursuant to the Complainants having purchased the property from the landowner. The landowner, one Shri. Mahanti Kalyan Chakravarthy, had earlier entered into a

Registered Deed of Assignment-cum-Development Agreement-cum-General Power of Attorney dated 25.07.2019 with the Respondent herein. The Complainants as well as the Respondent herein have relied upon an Agreement of Sale entered into between the parties. However, neither the Complainants nor the Respondent have produced before this Authority an Agreement of Sale executed between the parties. In the absence of any copy of proof of Agreement of Sale stipulating the date of delivery of possession, the valid basis for determining the possession date is the date of execution of the Sale Deed. It is also noted that the Respondent has not denied the existence of an Agreement of Sale nor its obligation to deliver possession within the agreed timeline.

54. It is the Complainants contention that as per the Agreement of Sale, the possession of the scheduled property was to be handed over in August 2023 with six months grace period. However, in the absence of any such Agreement of Sale being placed on record, this Authority is constrained to consider only the date of execution of the Sale Deed i.e. 17.08.2024 as the date of delivery of possession for the purpose of computation of interest payable by the Respondent to the Complainants herein. It is pertinent to note that the Respondent has failed to hand over possession even as of February 2025. Further, although the project was registered with TG RERA up to February 2025 and later extended until 07.02.2026, the project remains incomplete, with construction progress stalled at approximately 85% as per the Complainants submission, with key aspects such as interior finishing, common amenities, and supporting infrastructure remaining unfinished. The Complainants submit that the Respondent has issued multiple revised handover schedules without providing valid justification or a clear roadmap for completion.

55. The Complainant further submits that despite assurances made, including a promise to pay compensation for delay as per RERA guidelines, no such compensation has been provided. 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. The Respondent further cites rocky terrain at the site, third-party disputes, and typographical errors in the possession date as additional justifications.

56. The Complainants submit 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. The Respondent further

cites rocky terrain at the site, third-party disputes, and typographical errors in the possession date as additional justifications.

***i) Whether the Covid-19 pandemic can be taken as a valid shield by the Respondent in the present case?***

57. This Authority finds no merit in such a contention. The Sale Deed was executed on 17.08.2024, well after the onset and subsiding of the Covid-19 pandemic. In view of the Respondent's own submissions acknowledging the existence of contractual obligations towards the Complainant and having entered into such commitments with full knowledge of the prevailing circumstances, the Respondent cannot now, with retrospective justification, rely on Covid-19 as a defence to avoid its contractual and statutory obligations. Such conduct clearly amounts to holding out false assurances with mala fide intent.

58. 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.

59. 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..."*

60. 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 stipulated period.

61. Therefore, the plea of Covid-19 as a force majeure defence in the present case is wholly untenable. The Respondent 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**

62. 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.

63. At the outset, it must be clarified that under the scheme of the RE(R&D) Act, 2016.

*“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.”*

64. 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 moratoriums issued by 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).

65. 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, 2016.

66. In the present matter, it is evident that the Respondent has unilaterally revised possession timelines 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"*

67. 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 has been established by this Authority i.e. 17.08.2024 taking into account the date of execution of the Sale Deed, and unilateral extensions by the promoter cannot be foisted upon allottees to their detriment.

68. 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:***

69. It is observed as per the records furnished before this Authority that the entire sale consideration is for an amount of Rs. 54,87,500/- (Rupees Fifty Four Lakh Eighty Seven Thousand Five Hundred Only) which has been duly paid by the Complainant as per the executed Sale Deed produced before this Authority. Further, as has already been established, the scheduled property should have been delivered by the date of execution of the Sale Deed i.e. 17.08.2024. Admittedly, possession has not been delivered within the stipulated date.

70. The Respondent's contention that 90% work is complete and that the Complainants have paid only a portion of the consideration is wholly unsustainable. The Complainants have already paid 100% of the agreed consideration. Despite receiving such substantial sums, the Respondent has failed to honour its contractual obligations. It is manifest that the Respondent gave false assurances, being fully conscious of the market situation, yet assuring dates of



completion that it had no capacity to honour. More than months has elapsed beyond the stipulated date, yet the project is neither complete nor possession handed over.

71. 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.”*

72. In this context, while the allottees are indeed bound to adhere to the agreed payment plan, such obligation arises only when the promoter simultaneously fulfils its reciprocal obligation of executing construction in line with the assured progress. In the absence of such progress, the Respondent cannot insist upon further payments as a condition to claim relief.

73. Section 18 of the RE(R&D) Act, 2016 is categorical and unconditional. It does not make the grant of interest contingent upon the quantum of sale consideration paid, nor does it provide any defence to a defaulting promoter. Once delay in handing over possession is established, an allottee who elects to remain in the project is entitled to interest for every month of delay, irrespective of whether part or whole of the consideration has been paid, provided that the payments already made are in accordance with the Agreement of sale.

74. 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."*

75. 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."*

76. 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."*

77. 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 prevails and the Respondent is bound by Section 11(4)(a) of the RE(R&D) Act, 2016. However, in the present Complaint, no copy of Agreement of Sale has been produced before this Authority and, consequently, no possession date is available on record. In such circumstances, the only valid ascertainable date for determining delivery of possession is the date of execution of the Sale Deed. Once the Sale Deed was executed, the scheduled property should have been handed over to the Complainant. Accordingly, for the purposes of assessing delay and computing the interest payable, the date of execution of the Sale Deed shall be treated as the date on which possession ought to have been delivered.

78. 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.

79. 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 18.08.2024 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.

80. Accordingly, while the Complainant is entitled to relief under Section 18 of the RE(R&D) Act, 2016 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.

81. 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, 2016.

82. 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.

83. 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, 2016.

84. 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.

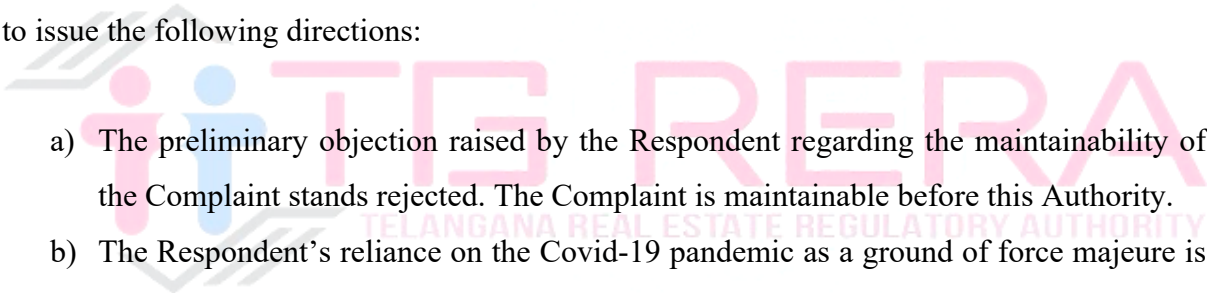
85. The Respondent is hereby directed to complete the project and hand over possession to the Complainants within the stipulated period. It is further clarified that if the Complainants have defaulted in making payments as per the agreed schedule, the Respondent shall be entitled under Section 19(6) of the Act to claim interest on such delayed payments, provided that it substantiates such claim with credible documentary evidence of both construction progress and corresponding default.

86. 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.

87. 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:**

88. 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 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.
  - c) The extension of registration taken by this Respondent cannot dilute the contractual rights of the Complainant. The date of possession shall be the date of execution of the Sale Deed.
  - d) The Respondent is held liable for failure to hand over possession of the subject flat by the stipulated date i.e., 17.08.2024.
  - e) The Complainants are entitled to interest at the rate of 10.7% 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 18.08.2024 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 10<sup>th</sup> 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.

89. 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.

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

91. 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.

92. As a result, the Complaint is disposed of accordingly. No order as to costs.

**Sd/-**  
**Sri K. Srinivasa Rao,**  
**Hon’ble Member,**  
**TG RERA**

**Sd/-**  
**Sri Laxmi Narayana Jannu,**  
**Hon’ble Member,**  
**TG RERA**

**Sd/-**  
**Dr. N. Satyanarayana, IAS (Retd.),**  
**Hon’ble Chairperson,**  
**TG RERA**