

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 227 of 2025

Dated: 30th 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

Satyasasi Kiran Srighakolapu

*R/o 11-13-1292, Plot 9/3, Vasavi Colony, Road No. 2,
Near Asthalakshmi Temple, RK Puram, Hyderabad - 500035.*

...Complainant

Versus

M/s. Vasavi Realtor LLP,

*Rep by its Designated Partner, Vijay Kumar Yerram & Kanday Ramesh,
Vasavi Corporate,
H.No.8-2-703/1 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 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 is submitted that the Complainant purchased a flat bearing No. E2506, in the project “Vasavi Lake City”, East Wing in January 2024, based on the advertisements, personal interactions with the marketing team, and the website information of the Respondent, which highlighted the project as a well-planned and timely development. The purchase was made with the expectation that the Respondent would deliver the flat within the promised timeframe.

4. It is stated that as per the agreed terms, the Complainant made 100% of the payment towards the flat, believing that the project was on track. The builder, Sri Yerram Vijay Kumar, had personally assured that the handover would take place by August 2024.

5. It is contended that despite these assurances, the project faced repeated and unjustified delays and, as of February 2025, remained incomplete. The Respondent allegedly postponed the handover dates on multiple occasions, provided vague reasons, and failed to communicate a clear and firm timeline. Having already paid the full amount, the Complainant stated that this delay caused uncertainty and financial distress, significantly impacting plans and investments.

6. It is further submitted that as of January 2025, the project was only 60% to 70% completed, with no major work carried out thereafter. Key aspects such as interior finishing, common amenities, and supporting infrastructure remained incomplete. Despite multiple follow-ups, the Respondent allegedly failed to provide any roadmap or completion schedule, leaving the Complainant and other homebuyers frustrated and anxious. It is further submitted that the lack of visible progress and absence of proper communication have further raised doubts whether the Respondent is genuinely committed to complete the project. The Complainant also submits that a false promotion has been run on Eenadu Newspaper stating that possession starts from March 2025.

7. The Complainant alleged that the continued delay in possession constitutes a violation of the provisions of the RE(R&D) Act, 2016, as the Respondent failed to deliver the project within the stipulated timeline without valid justification. By collecting 100% payment upfront and failing to fulfil contractual obligations, the Respondent has allegedly breached the statutory requirements. The Complainant stated that the delay has caused financial strain, mental stress, and emotional distress, and therefore sought intervention of this Authority for urgent directions, financial compensation, and strict action against the Respondent.

B. Relief(s) Sought:

8. Accordingly, the Complainant sought the following reliefs:

- i. To direct the Respondent to complete the construction and hand over possession of the flat at the earliest. Seeking immediate action to ensure that the remaining work is completed within a fixed and enforceable timeframe.

- ii. To direct the Respondent to pay interest on the total amount paid by the Complainant from the promised possession date of August 2024 until the actual date of handover along with interest at the prescribed rate under RERA for the entire delay period.
- iii. To direct the Respondent to pay compensation for the undue stress, inconvenience, and financial losses incurred as a result of the prolonged delay.

C. Counter filed by the Respondent:

8. It is submitted by the Respondent that the complaint is not maintainable either in law or on facts and is liable to be dismissed. It is submitted that the complainant has not followed the remedies available under the Agreement for Sale for resolution of disputes before approaching this Hon'ble Authority. Further, no prior legal notice was issued before filing this complaint, which itself renders the application defective and not maintainable.

9. It is submitted that the project "Lake City-East" was developed lawfully after obtaining rights from the landowners under registered documents, covering 34,704.37 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 six towers (4 cellars + ground + 14 upper floors), Tower No. 4, 5, and 6 (3 Cellars + ground + 14 upper floors) and a clubhouse (stilt + ground + five upper floors). The project was duly registered with this Authority vide Registration No. P02500001821 dated 20.03.2020.

10. It is further submitted that the Complainant was allotted an apartment (Semi Finished) in the project and was allotted an apartment No. E.2506 on the 5th Floor of Tower 2, admeasuring 1650 sq. ft., along with two car parking with an undivided share of land admeasuring 41.70 Sq.Yds. for a total consideration of Rs. 41,25,000/-, agreed under the sale deed. The agreement provides for schedule apartment which deals with area Schedule B in the plan. Schedule C provides the terms and conditions of the payment accepted by the parties. It is submitted that the Complainant is still in due to pay the GST charges, Corpus Fund and Advance Maintenance to the Respondent.

11. It is submitted that as per Clause 7 of the Agreement, the Respondent was obligated to hand over possession of the flat and common areas, subject to extension in the event of force majeure. The Agreement itself clearly records that timely delivery is the essence of the contract but also recognises that the period of completion shall stand extended to the extent of delay

caused by force majeure conditions, during which period the allottee is not entitled to claim compensation.

12. It is submitted that the complainants have not come before this Hon'ble Authority with clean facts but with an ulterior motive to make unlawful gain and that there has been material suppression of facts of the case with regard to the claim and the relief sought therein.

13. It is further stated that COVID-19 is a force majeure event duly recognized under law, and hence the timelines stood extended. The Respondent contended that the COVID-19 pandemic, subsequent lockdowns, and migration of labourers had severely impacted construction work. The Respondent further relies on the orders of the Hon'ble Supreme Court in *Suo Motu Writ Petition No. 3 of 2020*, whereby the period from 15.03.2020 till 28.02.2022 was excluded for the purposes of computation of limitation across various statutes. It is contended that the extension of time for completion of the project was not only factually justified but also recognised in law.

14. In addition to COVID-19, the Respondent submits that unforeseen site conditions such as rocky terrain requiring manual excavation further delayed the project. Owing to restrictions on blasting due to the residential nature of the surrounding locality, excavation could only be done manually, which compounded the delay. These challenges were communicated to all allottees through regular updates and meetings.

15. The Respondent also submits that certain third-party disputes adversely impacted the project timelines. These include cases such as RERA Case No. 190/2020, W.P. Nos. 2694/2021, 13898/2022, 33433/2023, W.A. No. 584/2023, SLP Nos. 9694–9695/2023, and W.P. No. 26301/2024, some of which are still pending. While most have been resolved, their pendency at various points of time hindered the smooth progress of the project.

16. It is contended that the project has been executed strictly in accordance with approved plans and specifications, and any clerical or typographical errors in the Agreement of Sale cannot be construed to create liability. It is the case of the Respondent that more than 90% of the project construction is completed and the project is presently in its final finishing stage. An extension of registration has already been granted by this Authority till 07.02.2026, within which period the Respondent undertakes to deliver possession of the apartments to all allottees.

Communications have also been issued to purchasers for payment of balance amounts, as completion is nearing.

17. With regard to the claims for interest and compensation, the Respondent submits that in view of the force majeure conditions, no such relief is available to the Complainant under law. Section 6 of the Act specifically contemplates force majeure events such as natural calamities and other circumstances beyond the control of the promoter. The Respondent submits that the COVID-19 pandemic, together with the extraordinary circumstances outlined above, clearly falls within the scope of force majeure.

D. Rejoinder filed by the Complainant:

18. It is submitted that the Respondent's reply is characterized by ambiguous averments, misleading representations, and a persistent attempt to obfuscate and deflect responsibility for the inordinate delay in handing over possession of the subject flat. The core issue remains that despite the Respondent unequivocally committed to deliver possession by 31.08.2024, the Respondent has failed to honour the said commitment.

19. It is further submitted that the justifications given by the Respondent, namely the COVID-19 pandemic, invocation of force majeure, pendency of third-party proceedings, and internal inefficiencies, do not legally justify the delay in the present context, particularly in light of the fact that the Complainant's tower (Tower 2) has been structurally complete for over 12 months.

20. It is stated that the Complainants have paid the total consideration and has complied with all obligations under Schedule B of the plan. It is further submitted that the mental agony, logistical hardship, and financial burden placed on the Complainants and their family are real and substantiated. Therefore, the Complainants seek only what is fair and lawful, namely monthly interest for the delayed period as mandated under the Act, and such further reliefs as this Hon'ble Authority may deem just and proper.

21. The Complainants then proceed with a point-wise rebuttal to the Respondent's Counter. The Complainant clarifies that the dispute is not about the Respondent's development rights but about the failure to deliver possession within the agreed timeline. Despite repeated visits and communications, the Respondent avoided giving a definite delivery date and kept arbitrarily changing timelines. Minutes of meetings and Form M have been submitted as

evidence. The Complainant's repeated attempts for resolution were met with evasive excuses such as hospitalization, unavailability of leadership, and CRM staff disclaiming authority, resulting in a cycle of blame-shifting and inaccessibility. Hence, the Respondent's objection on maintainability is baseless, evasive, and demonstrates their failure to engage with allottees constructively.

22. It is submitted that while approvals and registration are acknowledged, they do not absolve the Respondent from the legal obligation of timely execution and handover. Having permissions does not discharge the responsibility of delivering possession within the committed timeline. It is further submitted that the Respondent has grossly failed to abide by the obligations accompanying RERA registration. Instead of honouring the timelines declared at the time of registration, the Respondent has offered vague and contradictory explanations for delay, failed to transparently update project status, and has not disclosed realistic possession timelines.

23. It is submitted that under the RERA framework and standard contractual norms, the Agreement of Sale dated 09.01.2024, is the only binding document that governs the rights, obligations, and timelines agreed between the parties, including the crucial possession commitment of 31.08.2024.

24. The Complainants submits that the Respondent's reliance on the RERA registration extension while disregarding the binding commitment under the Agreement of Sale is legally untenable. The possession date of 31.08.2023, as expressly agreed in the Agreement of Sale, must prevail for assessing delay, irrespective of any subsequent extensions granted by the Hon'ble Authority. Submitting progress updates or securing regulatory extensions does not absolve the Respondent from its contractual obligations.

25. It is submitted that Section 19(2) of the Act clearly entitles the allottee to claim possession of the apartment in accordance with the Agreement of Sale, while Section 19(1) mandates that the promoter keep the allottee informed of progress with full transparency. In this case, the Respondent delayed the project by nearly two years, offering only shifting verbal assurances, and now seeks to defer possession to February 2026, rendering the agreement meaningless if such conduct were permitted. This constitutes breach of trust and circumvention of RERA's buyer-protection framework.

26. It is submitted that the Complainant's Registration/ Agreement of Sale was executed on 09.01.2024, after both the first and second waves of Covid-19 and well after the nation had emerged from full lockdown. The Respondent, with full knowledge of circumstances, nevertheless committed to hand over possession by August 2024. Therefore, they cannot now retroactively invoke force majeure to evade contractual liability.

27. The Complainant submits that the Registration/Agreement of Sale was duly executed on 09.01.2024, at a time when the RERA completion date stood as February 2025. Subsequently, the Respondent sought an additional extension up to February 2026 before the Authority. In light of this, the Complainant is entitled to compensation from the original RERA completion date of February 2025, i.e., from 31.08.2024 after the expiry of the six-month grace period.

28. The Complainant submits that while certain legal disputes may have arisen, their existence cannot serve as a blanket justification for delay, particularly when such risks should have been foreseen and mitigated by the promoter at the outset. Under Section 11(3)(a) of the RERA Act, it is the promoter's legal responsibility to ensure that the project is free of encumbrances and legal risks at the time of launch. If third-party litigation is now being used as a justification for non-delivery, it reflects a clear lapse in due diligence and risk planning on the part of the Respondent and cannot be a valid excuse to penalize allottees who have paid their hard-earned money in good faith.

29. It is further submitted that no proactive disclosure or formal notice was ever issued to the Complainant regarding such disputes or their alleged impact on possession timelines, and any informal references made in hindsight cannot substitute the statutory obligation of disclosure. A buyer cannot be made to suffer for disputes that the builder failed to resolve in time, nor can litigation be cited after the fact to extend possession timelines indefinitely. Accepting such an approach would undermine the very objective of RERA, which was enacted to safeguard allottees against such unfair practices. Accordingly, these explanations of the Respondent are nothing but post-facto rationalizations, and the Respondent must be held accountable for failure to adhere to the agreed delivery schedule and statutory obligations under the Act.

30. The Complainant respectfully submits that the relief sought is limited to interest for the delay in possession and not a refund of the amount already paid. This claim squarely falls

within the statutory framework of Section 18(1) of the RE(R&D) Act, which mandates that the promoter is liable to pay interest for every month of delay until handing over possession. Such statutory interest is non-negotiable and unconditional once the builder fails to deliver possession by the agreed date, which in the present case is 31.08.2023 as per the executed Agreement of Sale.

31. The Respondent's reliance on force majeure on account of COVID-19 is wholly misplaced, as the period from 2023 to 2025 reflects a post-COVID environment wherein no extraordinary circumstances existed to justify non-performance. The absence of any significant progress during this time can only be attributed to inefficiency and disregard for contractual and statutory obligations on the part of the Respondent.

32. The Complainant, having already registered for the allotted flat, is not seeking cancellation or refund but only the rightful statutory interest for the unjustified delay in handover. This is a statutory entitlement under Section 18(1) of the Act and not a matter of discretion, and therefore must be granted in full.

33. The Complainant submits that they are entitled to compensation, having already furnished all documentary evidence establishing that the Respondent failed to adhere to the committed handover timelines. It is humbly left to the wisdom of this Hon'ble Authority to determine the quantum of compensation, as the claims for mental agony and hardship have already been placed on record. The Complainant continues to bear the burden of home loan interest and EMIs regularly, while still awaiting delivery of the allotted flat.

E. Points for Consideration:

35. 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?

Point 1:

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

37. 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.

38. 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.

39. 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.

40. 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.

41. 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.

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

Point 2:

43. The Complainant has sought relief on the ground that there has been an inordinate delay in handing over possession of the subject flat, despite timely payments of 100% of the total sale consideration, causing significant financial and emotional distress.

44. It is the case of the Complainant that the Sale Deed for the subject property was executed on 09.01.2024. It has been observed that an Agreement of Sale dated 28.12.2023 has been placed on record before this Authority entered into between one Shri. M. Ghous Mohuddin, the landowner, and the Complainant herein. Therefore, it is noted that the Agreement of Sale preceded the execution of the Sale Deed. The Sale Deed was executed on account of the Complainant purchasing the property from the landowner.

45. As per the submissions made by the Complainant relying upon the Agreement of Sale, the stipulated date for handing over possession of the scheduled property was 31.08.2024. The Respondent, in its Counter Affidavit, has also referred to an Agreement of Sale and certain clauses therein; however, the Agreement of Sale dated 28.12.2023 placed on record does not specify any date for delivery of possession. Additionally as per the submissions made by the Respondent, there is no denial of the Respondent's obligation to deliver possession of the scheduled property to the Complainant, and therefore such obligation stands admitted.

46. In view of the Respondent's own reliance on an Agreement of Sale to establish the contractual nexus with the Complainant, the Respondent is deemed to have accepted the obligations flowing from such Agreement, including the responsibility to hand over possession. In view of the absence of a specific possession date in the Agreement of Sale dated 28.12.2023, this Authority is unable to accept 31.08.2024 as the date of possession. Consequently, for the purpose of determining the interest payable by the Respondent, this Authority shall consider only the date of execution of the Sale Deed dated 09.01.2024. Accordingly it is noted that the scheduled property should have been handed over by 09.01.2024. 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 60-70% as per the Complainant's submission, with key aspects such as interior finishing, common amenities, and supporting infrastructure remaining unfinished. The Complainant submits that

the Respondent has issued multiple revised handover schedules without providing valid justification or a clear roadmap for completion.

47. 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.

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

48. This Authority finds no merit in such a contention. The Sale Deed was executed on 09.01.2024, and the Agreement of Sale is dated 28.12.2023 was well after the onset and initial impact of the Covid-19 pandemic. Having consciously undertaken contractual commitments as per their own submissions, with full knowledge of the prevailing circumstances, the Respondent cannot now, with retrospective justification, rely on Covid-19 as a defense to escape its contractual and statutory obligations. Such conduct clearly amounts to holding out false assurances with mala fide intent.

49. 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.

50. 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...".

51. 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.

52. 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

53. 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.

54. 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.”

55. 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).

56. 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.

57. 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"

58. 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 consideration the date of execution of the Sale Deed, and unilateral extensions by the promoter cannot be foisted upon allottees to their detriment.

59. 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:

60. It has been observed by this Authority that the total sale consideration is for an amount of Rs. 41,25,000/- (Rupees Forty One Lakh Twenty Five Thousand Only). That, as per the Sale Deed the Complainant has duly paid the entire sale consideration amount. Further, as has

already been established, the scheduled property should have been delivered by the date of execution of the Sale Deed i.e. 09.01.2024. Admittedly, possession has not been delivered.

61. 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 as per their averments. 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 one year has elapsed beyond the stipulated date, yet the project is neither complete nor possession handed over.

62. 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"

63. 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.

64. 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.

65. 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.”

66. 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."

67. 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."

68. 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 Respondent was under an obligation to hand over possession of the scheduled property to the Complainant. The Respondent has failed to do so. 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.

69. 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.

70. 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 09.01.2024 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.

71. 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.

72. 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.

73. 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.

74. 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.

75. 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.

76. 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.

77. 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.

78. 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:

79. 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, 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. 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., 09.01.2024.
- 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 10.01.2024 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.

80. 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.

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

82. 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

83. 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

