BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 244 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

Mani Prasad Potti
R/o. Flat 510, 4th Block, SMR Vinay Fountainhead,
Metro Water Works Road, Hydernagar, Hyderabad - 500049.

…Complainant

Versus

M/s. Vasavi Realtor LLP,
Rep by its Designated Partner, Vijay Kumar Yerram,
Vasavi Corporate,
H.No.8-2-703/7/1 and 8-2-703/7/1/A,
4th Floor, Vasavi Corporate Building, Amrutha Valley Apartments,
Road No. 12, Banjara Hills, Hyderabad, Telangana – 500034.

…Respondent

The present matter filed by the Complainant herein came up for hearing 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. The Complainant entered into an Agreement of Sale dated 30.07.2021 with the Respondent for purchase of a flat bearing No. W010401 on the 4th Floor in Block/Tower No. 01, admeasuring 1910 sq.ft. in the project "Vasavi Lake City West". As per the Agreement of Sale, the Respondent committed to hand over possession of the said flat on or before August 2023. The Complainant states that this commitment was made after he was influenced by the

Respondent's extensive promotions and representations by its sales team assuring timely handover in August 2023.

4. It is submitted that the Complainant has made timely payments of all demand letters raised by the Respondent without any delay. The last payment was made in November 2023, by which time 80% of the flat cost had been paid, with the balance 20% payable at the time of possession as per the Agreement of Sale.

5. The Complainant states that despite the contractual commitment of August 2023, the Respondent failed to deliver possession. On repeated follow-up after the due date, the Complainant was asked to proceed with registration in January 2024 with an assurance that possession would be given by February 2024, citing a delay of six months. Subsequently, after further follow-ups, a new possession date of 15.01.2025 was communicated. Thereafter, a public promotion was run by the Respondent in Eenadu newspaper stating that possession would commence from March 2025. Most recently, on 07.02.2025, the Respondent informed the Complainant of yet another revised possession date, June 2025. The Complainant submits that given the minimal progress at site, he has lost confidence in the Respondent's assurances and doubts whether the deadline of June 2025 will be met.

6. It is further submitted that the Complainant has been regularly following up with the Respondent on numerous occasions. The major meetings in this regard were held on 08.09.2024 and 23.11.2024, for which Minutes of Meetings signed by the Respondent are placed on record.

B. Relief(s) Sought:

7. Accordingly, the Complainant sought the following reliefs:

i. Direct the Respondent to hand over immediate possession of the flat.
ii. Direct the Respondent to pay interest for the amount already paid, for the delay in possession from the promised date in Agreement of Sale.
iii. Direct the Respondent to compensate the Complainant for losses and damages incurred due to the 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-West" was developed lawfully after obtaining rights from the landowners under registered documents, covering 43,298.17 sq. yds. While requisite land conversion permissions and building permissions for construction of multi-storied apartments were obtained on 07.02.2020. The project consists of seven towers (cellars + ground + 14 upper floors), and a clubhouse (stilt + five upper floors). The project was duly registered with this Authority vide Registration No. P02500001819 dated 20.03.2020.

10. It is further submitted that the Complainant was allotted an apartment in the project vide booking dated 15.02.2021 and was allotted an apartment No. W.010401 on the 4th Floor of Tower 1, admeasuring 1910 sq. ft., along with parking, for a total consideration of Rs. 79,53,500/-. The Agreement of Sale sets out the carpet area, balcony/veranda area, common area, and undivided share of land. The complainant has paid a sum of Rs.16,70,235/- towards booking amount as per Schedule C and the balance payments to be paid were also provided to be paid as per the Schedule.

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 by 31.08.2023, 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. The Complainant submits that the Respondent's reply is filled with vague excuses, misleading statements, and repeated attempts to deflect responsibility for the inordinate delay in handing over possession of the flat. The core issue remains that despite execution of the

Agreement of Sale dated 30.07.2021, which clearly committed to a possession date of 31.08.2024, the Respondent has failed to deliver the unit. Reliance on COVID–19, force majeure, third–party litigations, and internal inefficiencies do not legally justify the delay, especially when the tower in which the Complainant's flat is situated has been structurally complete for more than 18 months.

19. The Complainant has already paid more than 60% of the total consideration and has fully complied with obligations under Schedule–C of the Agreement. The Respondent's false allegations of payment default, reliance on post–facto extensions, and unverifiable meeting notes cannot override the statutory rights available to the Complainant under Section 18(1) of the RERA Act.

20. The financial burden, logistical hardship, and mental agony suffered by the Complainant and his family due to the prolonged and unexplained delay are real, continuous, and substantiated. Having invested life savings with a legitimate expectation of timely possession, the Complainant has been subjected to severe prejudice by the Respondent's failure to honour its contractual and statutory obligations.

21. Therefore, the Complainant reiterates that he seeks only what is fair under law, i.e., monthly interest for the entire period of delay as mandated by law, together with such additional relief as this Hon'ble Authority may deem fit and proper. The Complainant them provides a point–wise rebuttal to the Respondent's counter.

22. The Complainant submits that the Respondent's preliminary objection on maintainability is not only vague but legally unfounded. Section 31 of the RE(R&D) Act, 2016, confers an explicit statutory right upon any aggrieved allottee to approach this Hon'ble Authority for redressal. The Agreement of Sale dated 30.07.2021 clearly stipulates the committed possession date as 31.08.2023. Till date, the flat remains undelivered. Therefore, the complaint is well within legal bounds and merits full consideration.

23. The contention of the Respondent that the Complainant ought to have availed remedies provided in the Agreement is misconceived. As per Section 31 of the Act, the Complainant being an aggrieved allottee, has an absolute statutory right to approach the Hon'ble Authority for redressal of grievances. Furthermore, the jurisdiction of this Hon'ble Authority cannot be ousted by any arbitration or alternative clause contained in a private agreement. Also, the Complainant made repeated efforts to communicate with the Respondent to seek resolution,

however these efforts were met with consistent avoidance tactics citing one or the other reasons.

24. The objection regarding absence of prior legal notice is equally meritless. The Act does not mandate issuance of any notice before filing a complaint under Section 31. This ground is irrelevant and appears to have been raised only to delay proceedings.

25. 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.

26. It is submitted that under the RERA framework and standard contractual norms, the Agreement of Sale dated 30.07.2021, is the only binding document. It is further submitted that the Complainant has duly paid over Rs.49,00,000/- in line with Schedule-C of the Agreement, and the balance payment is contractually due only at the time of handover of possession, which has not yet occurred. Therefore, there is no default on part of the Complainant, and any suggestion to the contrary is misleading.

27. 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.

28. 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.

29. The Complainant acknowledges the payment of Rs.16,70,235/- as reflected in the Agreement of Sale. However, the Respondent's attempt to divert the discussion towards specifications under Schedule D and E is completely unrelated to the core subject of the complaint, which pertains to delay in possession, not alterations in the sanctioned plan. It is submitted that there is no default in payment. As per Schedule C, the balance consideration is linked to possession milestones and is payable at the time of handover, which has not occurred till date. Despite receiving over 60% of the price, the Respondent failed to hand over possession within the agreed timeline, violating Clause 7.1 and attracting consequences under Section 18 of the Act.

30. It is submitted that the Respondent selectively relies on Clauses 5 and 7.1 of the Agreement while ignoring the clear obligation to hand over possession by 31.08.2023. Even after the six-month grace period, possession has not been offered. As of April 2025, the Complainant remains without possession, well beyond any permissible extension. The plea of force majeure is untenable since the AOS was executed on 30.07.2021, after the pandemic impact was well known. The Respondent cannot retroactively invoke COVID-19 to avoid liability. Moreover, force majeure cannot override Section 18(1) of the Act, which entitles the allottee to interest for delay. The Respondent has also failed to produce any evidence of formal invocation of force majeure, timely notice, or mitigation efforts. The delay is therefore unjustified, and the Respondent is fully liable.

31. It is submitted that the Respondent's reliance on Clause 7.2 regarding procedure for possession is misplaced when the fundamental precondition of obtaining Occupancy Certificate has not been fulfilled. No OC has been secured or offered to the Complainant. Accordingly, Clause 9 on promoter defaults squarely applies. Having breached the possession timeline under Clause 7.1, the Respondent stands in default.

32. At the outset, the Complainant categorically denies and strongly objects to the baseless and defamatory allegations of suppression and ulterior motives. The Agreement of Sale clearly fixes possession as 31.08.2023, yet despite lapse of nearly two years, possession has not been delivered. Approaching this Authority is a statutory right of the Complainant. The Complainant has placed on record the Agreement, proof of payments, meeting minutes, and correspondence,

while the Respondent has repeatedly failed to meet timelines. Their present attempt to defer possession to February 2026 only reinforces the continued breach.

33. While the impact of the COVID-19 pandemic is acknowledged, reliance on it to justify prolonged delay is untenable. The AOS was executed on 30.07.2021, well after lockdowns were lifted and construction activity had resumed. The Respondent, with full knowledge of circumstances, nevertheless committed to hand over possession by 31.08.2023. The real delay occurred between 2023 and 2025, long after normalcy returned.

34. It is submitted that the Respondent's reliance on Supreme Court orders in Suo Motu W.P. No. 3 of 2020 is irrelevant. Those orders relate only to exclusion of limitation periods under certain statutes and have no bearing on contractual obligations under RERA. The AOS was executed after the COVID relaxation period, and the possession date of 31.08.2024 was agreed with full awareness of circumstances. General judicial extensions cannot override the specific rights of an allottee under RERA. This defence is diversionary and must be rejected.

35. It is submitted that the Respondent's attempt to attribute delay to labour migration is also misplaced. The Complainant's unit in Tower 1 of the West Wing was structurally complete more than 18 months ago, yet no further progress was made. Delays post-completion cannot be explained by labour shortages. No documentary evidence has been produced to show timely communication of such impediments.

36. It is submitted that the Respondent's vague claim of "various additional factors" and "cascading effects" is evasive and unsupported by evidence. Despite asserting that 90% work is complete, no possession has been offered, no demand notes have been issued, and no formal schedule for handover has been given. Updates, if any, were provided only after repeated follow-ups by the Complainant, not proactively. The Respondent's conduct reflects negligence and lack of urgency, not force majeure.

37. It is submitted that the Respondent's attempt to dismiss the possession date in the Agreement of Sale as a "clerical mistake" is indefensible. A registered agreement executed by both parties cannot be retrospectively termed an error. Such a claim reflects misrepresentation and abdication of responsibility. If the Respondent committed to an unrealistic timeline, that itself amounts to misrepresentation at the time of booking. Repeated invocation of force

majeure does not cure this breach. The conduct amounts to deliberate default, and the Respondent must be held liable.

38. It is submitted that the Respondent's reference to third-party disputes is also untenable. It was the promoter's duty under Section 11(3)(a) to ensure the project was free of encumbrances. Litigation risks cannot be used to justify delay. No formal disclosure of such disputes was made to the Complainant at the relevant time. Buyers cannot be penalized for the promoter's lapses in legal due diligence. These explanations are post-facto and cannot excuse breach of the Agreement of Sale.

39. It is submitted that the Respondent's claim of informing allottees through communications or meetings is unsubstantiated. In reality, minutes were shared only after repeated demands and merely recorded shifting timelines, none of which were honoured. Such conduct reflects a pattern of deflection, not transparency.

40. The Complainants submit that they seek interest for the delay in possession, not refund of the amount paid. This claim is well within the statutory framework of Section 18(1) of the Act, which mandates interest for every month of delay until possession is handed over. The Respondent's dismissal of the claim for compensation shows insensitivity to the real hardship faced by the Complainant's family. The delay forced additional commuting, rental arrangements, and financial strain, apart from causing mental agony and distress.

41. The Respondent's assertion that possession will be given in February 2026 and that the Complainant is in arrears is false. The Complainant never consented to extend possession beyond 31.08.2023, and any RERA extension does not override the Agreement of Sale. The undertaking to complete by February 2026 does not erase liability for delay already accrued since September 2023.

42. The Respondent's reference to site conditions such as rocky site and blasting restrictions is an afterthought. Any experienced developer is expected to assess site conditions before committing timelines.

43. It is submitted that the blanket denial of liability by the Respondent is untenable. The Respondent cannot escape responsibility by vague references to uncontrollable circumstances, particularly when no force majeure notice was ever issued and no evidence of genuine impediments has been produced. The Complainant's tower was structurally complete long ago,

yet possession has not been offered. The Respondent is in clear breach of the Agreement of Sale and the Act.

44. The sweeping denial of the complaint as false is equally unsustainable. The AOS dated 30.07.2021 fixes the possession date as 31.08.2024, which has not been honoured. The Complainant has complied with all obligations, whereas the Respondent continues to rely on vague defences. Relief under Section 18(1) of the Act is not only legally justified but necessary to uphold accountability. The Authority is therefore respectfully urged to direct payment of statutory interest for the delay and pass such other orders as deemed fit in the interest of justice.

E. Points for Consideration

45. 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:

46. The Respondent has raised an objection as to the maintainability of the present complaint on the ground that the Complainants failed to first resort to the contractual dispute resolution mechanism envisaged in the Agreement of Sale, namely an amicable settlement by mutual discussion, prior to approaching this Authority. The Authority finds this objection untenable for the following reasons:

47. The Authority finds this objection untenable for the following reasons: The relevant Dispute Resolution clause in the Agreement of Sale is reproduced below for ready reference:

> *"33. Dispute Resolution clause in the Agreement of sale executed between the parties, the said clause stated that all or any disputes arising out ot touching upon or in relation to the terms and conditions of this Agreement, including the interpretation and validity of the terms thereof and the respective rights and obligations of the Parties, shall be*

settled amicably by mutual discussion, falling which the same shall be settled through adjudication officer appointed under the Act."

48. It is clear from the above that the clause only requires the parties to attempt an amicable settlement by mutual discussion. Such a clause is at best directory and cannot oust or restrict the statutory jurisdiction of this Authority. Section 79 of the RE(R&D) Act expressly bars the jurisdiction of Civil Courts in respect of any matter which this Authority, the Adjudicating Officer, or the Appellate Tribunal is empowered to determine. Likewise, Section 88 clarifies that the provisions of the RE(R&D) Act are in addition to, and not in derogation of, other laws. Thus, the intention of the legislature is that remedies under this beneficial legislation must remain open to allottees, irrespective of any private clause for amicable settlement.

49. Even in cases where agreements contained arbitration clauses (which is not the case here), the Hon'ble Supreme Court and the Hon'ble NCDRC have consistently held that such clauses cannot circumscribe the jurisdiction of consumer fora or statutory authorities constituted under special enactments.

50. In *National Seeds Corporation Ltd. v. M. Madhusudhan Reddy (2012) 2 SCC 506*, the Supreme Court held that remedies under special statutes are in addition to, and not in derogation of, other remedies. For ready reference, the relevant extract is reproduced below:

**"49. Support to the above view is also lent by Section 79 of the recently enacted Real Estate (Regulation and Development) Act, 2016 (for short "the Real Estate Act"). Section 79 of the said Act reads as follows:- '79. Bar of jurisdiction - No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Authority or the adjudicating officer or the Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.' It can thus, be seen that the said provision expressly ousts the jurisdiction of the Civil Court in respect of any matter which the Real Estate Regulatory Authority, established under Subsection (1) of Section 20 or the Adjudicating Officer, appointed under Subsection (1) of Section 71, or the Real Estate Appellate Tribunal established under Section 43 of the Real Estate Act, is empowered to determine. Hence, in view of the binding dictum of the Hon'ble Supreme Court in A. Ayyaswamy (supra), the matters/disputes, which the Authorities under the Real Estate*

*Act are empowered to decide, are non-arbitrable, notwithstanding an Arbitration Agreement between the parties to such matters, which, to a large extent, are similar to the disputes falling for resolution under the Consumer Act. 56. Consequently, we unhesitatingly reject the arguments on behalf of the Builder and hold that an Arbitration Clause in the afore-stated kind of Agreements between the Complainants and the Builder cannot circumscribe the jurisdiction of a Consumer Fora, notwithstanding the amendments made to Section 8 of the Arbitration Act."**

51. Similarly, in *Aftab Singh &Ors. v. Emaar MGF Land Ltd. &Ors. (Consumer Case No. 701 of 2015, decided on 13.07.2017)*, it was held that arbitration clauses in builder-buyer agreements cannot oust the jurisdiction of consumer fora. The said view was later upheld by the Hon'ble Supreme Court in Civil Appeal Nos. 23512–23513 of 2017. The relevant para reads:

"25. This Court in the series of judgments as noticed above considered the provisions of Consumer Protection Act, L986 os well as Arbitration Act, 1996 and laid down that complaint under Consumer Protection Act being a special remedy, despite there being an arbitration agreement the proceedings before Consumer Forum have to go on and no ercor committed by Consumer Forum on rejecting the application. There is reason for not interjecting proceedings under Consumer Protection Act on the strength an arbitration agreement by Act, 1996. The remedy under Consumer Protection Act is a remedy provided to a consumer when there is a defect in any goods or services. The complaint means any allegation in writing made by a complainant has also been explained in Section 2(c) of the Act. The remedy under the Consumer Protection Act is confined to complaint by consumer as defined under the Act for defect or deficiencies caused by a service provider, the cheap and a quick remedy has been provided to the consumer which is the object and purpose of the Act as noticed above."

52. In the present matter, there is only a clause requiring amicable discussion before invoking remedies. Such a clause is directory at best, and cannot override or defeat the statutory right of the Complainant to approach this Authority under the RE(R&D) Act. Accordingly, this Authority has no hesitation in holding that the Complainant is well within its rights to approach this forum without being first compelled to pursue an amicable settlement under the Agreement. The objection of the Respondent as to maintainability is therefore rejected.

Point No. 2:

53. 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 approximately 60% of the total sale consideration, causing significant financial and emotional distress. It is the case of the Complainant that the Agreement of Sale dated 30.07.2021 clearly stipulated that possession of the subject flat would be handed over by 31.08.2023, with a grace period of six months, ending on 28.02.2024. 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.

54. 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?

55. This Authority finds no merit in such a contention. The Agreement of Sale was executed on 30.07.2021, well after the onset and initial impact of the Covid-19 pandemic. The Respondent, being fully aware of the prevailing circumstances, nevertheless executed the Agreement by specifically assuring completion of the project by August 2023. Having consciously undertaken such commitment, 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.

56. It is a settled principle that once a promoter has chosen to register a project and enter into binding contractual commitments with allottees, he does so with full knowledge of the risks, constraints, and challenges of the market. At the time of entering into the Agreement of

Sale with the present Complainant, the Respondent was already aware of the Covid-related disruptions, as well as the Government notifications granting moratoriums for project completion timelines. Despite this knowledge, the Respondent chose to provide a specific assurance of delivery by August 2023.

57. This Authority aligns with the observations of the Hon'ble Bombay High Court in *Neelkamal Realtors Suburban Pvt. Ltd. &Anr. vs. Union of India &Ors. [2017 SCC OnLine Bom 9302]*, wherein at para 119 it was categorically observed:

> *"While the proposal is submitted, the Promoter is supposed to be conscious of the consequences of getting the project registered under RERA. Having sufficient experience in the open market, the Promoter is expected to have a fair assessment of the time required for completing the project…".*

58. The above dictum fortifies the principle that the promoter, being structurally at an advantageous position with respect to project information and market realities, is under a statutory duty to provide realistic timelines. The framework of the Real Estate (Regulation and Development) Act, 2016 reinforces this obligation by mandating timely completion and possession within the period stipulated in the Agreement of Sale.

59. Therefore, the plea of Covid-19 as a force majeure defence in the present case is wholly untenable. The Respondent, having executed the Agreement of Sale in July 2021 with specific possession timelines, cannot now seek to retrospectively attribute delays to the pandemic. Accordingly, this Authority holds that the reliance on Covid-19 as a shield stands rejected.

(ii) Extension of Registration

60. The Respondent has further contended that, since extensions have been granted by this Authority, the project timeline now stands extended up to February 2026, and therefore possession shall be delivered by then. The Complainants, however, have questioned the validity and effect of such extensions.

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

> *"An Act to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and*

transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto."

62. The paramount objective is twofold: protection of consumer interest, and ensuring completion of projects in an efficient manner. Denial of extension during the Covid-19 disruption would have resulted in projects being stalled, to the grave prejudice of allottees. It was in this context that this Authority, balancing the equities, granted extensions in line with the 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).

63. Accordingly, an aggregate 18 months' extension was applied across projects to safeguard larger consumer interest. However, it is equally well settled that such regulatory extensions cannot dilute the contractual rights of individual allottees under their respective Agreements of Sale, nor can they displace the statutory rights flowing from Section 18 of the RE(R&D) Act. In the present matter, it is evident that the Respondent has unilaterally revised possession timelines first to February 2024, and thereafter to February 2026 due to the extension taken without consultation or consent of the Complainants. Such unilateral revisions are impermissible. The Hon'ble Bombay High Court in *Neelkamal Realtors Suburban Pvt. Ltd. vs. Union of India &Ors. [2017 SCC OnLine Bom 9302],* while upholding the constitutional validity of RERA, categorically observed:

Para 119 "The RERA does not contemplate rewriting of contract between the flat purchaser and the promoter."

Para 256 of this Judgment further clarifies that "by giving opportunity to the promoter to prescribe fresh timeline under Section 4(2)(l)(C), he is not absolved of the liability under the agreement for sale"

64. The above dicta makes it abundantly clear that any extension granted by the Authority, or revised timelines uploaded on the TG RERA project registration portal, do not ipso facto alter or bind the allottees' contractual rights. The agreed date of possession remains as stipulated in the Agreement for Sale, and unilateral extensions by the promoter cannot be foisted upon allottees to their detriment.

65. 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:

66. It has been observed by this Authority that the total sale consideration is for an amount of Rs. 79,53,500/- (Rupees Seventy Nine Lakh Fifty Three Thousand Five Hundred Only). That, as per the Agreement of Sale the Complainant has paid an amount of Rs.16,70,235/- (Rupees Sixteen Lakh Seventy Thousand Two Hundred And Thirty Five Only). However it is observed that as per the payment receipts placed before this Authority that a sum of Rs. 49,39,809/- (Rupees Forty Nine Lakh Thirty Nine Thousand Eight Hundred And Nine Only) has been duly paid by the Complainant herein towards the sale consideration. Further, the Agreement clearly stipulated possession by 31.08.2023, with a grace period of 6 months to 28.02.2024. Admittedly, possession has not been delivered.

67. 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 over 60% of the agreed sale 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.

68. 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"

69. In this context, it is pertinent to note that the Agreement of Sale linked the payment schedule to the progress of construction. 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.

70. Section 18 of the RE(R&D) Act 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. The Respondent's plea that only "partial sale consideration" has been paid and hence interest cannot be granted is therefore vague, misconceived, and contrary to the express mandate of the statute.

71. 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."

72. 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."

73. 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."

74. Further, as earlier observed, the Hon'ble Bombay High Court in *Neelkamal Realtors Suburban Pvt. Ltd. v. Union of India [(2017) SCC Online Bom 9302]* clarified that RERA registration or its extension cannot rewrite the contract between parties. The date assured under the Agreement of Sale, executed with the allottee's consent, shall prevail. Thus, the Respondent is bound by Section 11(4)(a) of the RE(R&D) Act, which mandates adherence to the terms of the Agreement of Sale.

75. 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.

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

77. 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.

78. 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.

79. 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.

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.

80. 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.

81. 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.

82. 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.

83. 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:

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

a. The preliminary objection raised by the Respondent regarding the maintainability of the complaint on account of the Dispute Resolution Clause in the Agreement of Sale stands rejected. The complaint is maintainable before this Authority.

b. The Respondent's reliance on the Covid-19 pandemic as a ground of force majeure is held untenable, since the Agreement of Sale was executed after the subsiding of the pandemic and with full knowledge of the prevailing circumstances.

c. The extension of registration taken by this Respondent cannot dilute the contractual rights of the Complainant under the Agreement of Sale. The date of possession as stipulated in the Agreement shall prevail.

d. The Respondent is held liable for failure to hand over possession of the subject flat by the agreed date i.e., 28.02.2024 (inclusive of grace period).

e. The Complainants are entitled to interest at the rate of 10.7% 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 01.03.2024 until actual handing over of lawful possession. The exact computation shall be subject to verification of such payments by the Respondent at the stage of effecting payment. The Respondent shall pay the arrears accrued up to the date of this Order within sixty (60) days, and shall thereafter continue to pay the accruing interest on a monthly basis, on or before the 10th day of each succeeding month, until possession is delivered.

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

g. The Respondent is hereby directed to complete the project forthwith and hand over possession to the Complainants within the statutory timelines.

h. The Complainants are directed to pay the balance consideration strictly in accordance with the agreed payment schedule. In the event of any default in adhering to such schedule, the Respondent shall be at liberty to claim interest on the delayed amounts, as provided under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017. However, such claim shall be substantiated by valid documentary evidence demonstrating that the default is aligned with the actual stage-wise progress of construction, and not merely on the basis of unilateral assertions.

85. 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.

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

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

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

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