

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 156 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

1. Shri. Sujith Kumar Tadi

2. Prathi Venkata Sai Anisha,

R/o. 307b, Sairam Lake City Phasei, Apgos Coop Society,

Sarada Nagar Manjeera Pipeline Road,

Hafeezpet-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. It was submitted that the Complainant purchased a flat bearing no. W 70304 in the project “Vasavi Lake City West” in 2022, 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 Complainant made the entire payment of Rs. 89,52,750/- and got the flat registered via sale deed no. 15911/2024 on 22.08.2024. The purchase was made with the expectation that the Respondent would deliver the flat within the promised timeframe.

4. It was stated by the Complainant 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 Vijay Kumar Yerram, had personally assured that the handover would take place by August 2024, and that possession could even be expected before the committed deadline.

5. It was 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 100% of the consideration, the Complainant stated that this delay caused uncertainty and financial distress, significantly impacting plans and investments.

6. It was 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.

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, failing which strict penalties should be imposed on the Respondent.

- 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, at the rate prescribed under Section 18 of the Act, 2016.
- 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:

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 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 bearing No. W.70304 on the 3th Floor of Tower 7, admeasuring 1245 sq. ft., along with car parking, for a total consideration of Rs. 89,52,750/. The Agreement of Sale sets out the carpet area, balcony/veranda area, common area, and undivided share of land.

11. It is submitted by the Respondent that the complainants were periodically intimated from time to time about the development in the project, and the project schedule clearly provides for the amenities.

12. It is submitted by the Respondent that it was mutually agreed that there shall be no alterations to the sanctioned plan or specifications as mentioned in Schedules D and E, and that

the petitioner has paid a sum of Rs. 89,52,750/- towards the total sale consideration under Sale Deed Doc. No. 15911 of 2024 dated 22.08.2024.

13. It is submitted by the Respondent that under Clause 7.2, possession is to be taken after the promoter obtains the Occupancy Certificate and offers possession in writing, and Clause 9 clearly sets out the events of default and their consequences.

14. It is submitted by the Respondent that the complainants have approached this Hon'ble Authority with false and incomplete facts, with an ulterior motive to make unlawful gains, and have suppressed material facts relating to the claim and relief sought.

15. It is submitted by the Respondent that though the complainants admit the existence of an agreement for sale and its terms, they are still attempting to mislead this Hon'ble Authority by making false claims contrary to the undisputed terms of the agreement.

16. It is submitted by the Respondent that the Hon'ble Authority is aware of the unprecedented national and global medical emergency caused by COVID-19, declared as a public health emergency by WHO in January 2020, and confirmed in India with cases in Delhi and Telangana.

17. It is submitted by the Respondent that multiple cases were reported worldwide, leading to a nationwide lockdown in March 2020, and the Hon'ble Supreme Court extended limitation timelines under *Suo Motu Writ Petition No. 3 of 2020*, which legally authorised extensions in various statutory timelines.

18. It is submitted by the Respondent that the project LAKE CITY – WEST was sanctioned by GHMC on 07.02.2020, a few days before the COVID-19 emergency, and the pandemic had an unavoidable impact on construction activities due to the exodus of migrant labour across the country.

19. It is submitted by the Respondent that the migrant labour crisis severely affected construction activities across Hyderabad, including this project, and the resulting dislocation caused nationwide disruptions which were periodically informed to all allottees.

20. It is submitted by the Respondent that several additional factors apart from labour shortage had a cascading effect on the project timelines, all of which were duly intimated to the customers from time to time.

21. It is submitted by the Respondent that the allegation of repeated delays is baseless and unsupported by evidence, and clerical or typographical mistakes in the agreement cannot be exploited by the complainant when the project size and force majeure conditions made the alleged timelines impossible.

22. It is submitted by the Respondent that the complainant's allegations are factually incorrect, unsupported by evidence, and made only to harass the Respondent, whereas the project was registered under RERA and validly granted extension up to 07.02.2026.

23. It is submitted by the Respondent that certain third-party disputes also affected the project timeline, and these were duly disclosed; most such cases have been disposed of except two that are still pending.

24. It is submitted by the Respondent that communications were regularly issued to allottees informing them of delays and assuring that possession and title would be delivered for the consideration paid.

25. It is submitted by the Respondent that no interest can be claimed by the complainant for the period of delay, as the facts clearly establish that the delay squarely falls under force majeure conditions recognised under Section 6 of the RERA Act.

26. It is submitted by the Respondent that compensation for mental agony or harassment cannot be claimed without evidence, and no rational basis or nexus between the alleged delay and the compensation sought has been demonstrated by the complainant.

27. It is submitted by the Respondent that once the complainant agrees that the COVID-19 circumstances caused delay, there must be exceptional reasons to claim compensation, and none have been provided in this case.

28. It is submitted by the Respondent that an additional reason for delay was the rocky nature of the project site, where blasting was not permitted due to residential surroundings, resulting in slow manual rock-breaking, which was periodically communicated to buyers.

29. It is submitted by the Respondent that the complainant is not entitled to any relief for alleged non-delivery of possession since all causes for delay were beyond the control of the developer/Respondent.

30. It is submitted by the Respondent that the complaint is false, frivolous, and devoid of any foundation, and is liable to be dismissed, especially since the Respondent is committed to completing the project and delivering the flats to all allottees in a time-bound manner.

D. Rejoinder filed by the Complainant:

31. It is submitted by the Complainant that the Respondent's 25-point reply is replete with vague excuses, misstatements and attempts to deflect responsibility for the inordinate delay in handing over possession.

32. It is submitted by the Complainant that the core issue remains that notwithstanding the Agreement of Sale dated 15th December 2022, which fixed possession as 31st August 2024, the Respondent has failed to deliver the unit.

33. It is submitted by the Complainant that the Respondent's reliance on COVID-19, force majeure, third-party litigation and internal inefficiencies does not legally justify the present delay, particularly when the Complainant's tower has been structurally complete for over eighteen months.

34. It is submitted by the Complainant that the Complainant has paid the entire contracted consideration without delay and that unverified meeting notes cannot override the statutory entitlements under Section 18(1) of the RERA Act.

35. It is submitted by the Complainant that the mental agony, logistical hardship and financial burden inflicted upon the Complainant and the Complainant's family are real, substantiated and require relief.

36. It is submitted by the Complainant that the relief sought is limited to statutory monthly interest for the delayed period under the Act and any other relief this Hon'ble Authority deems just and proper.

37. It is submitted by the Complainant that the present rejoinder responds specifically to the Respondent's 25-point reply and provides a point-wise rebuttal to the factual and legal assertions made by the Respondent.

38. It is submitted by the Complainant that the objection to maintainability is vague, legally unfounded and must be rejected because the complaint is maintainable under Section 31 of the RERA Act.

39. It is submitted by the Complainant that the Respondent's reliance on internal dispute resolution clauses is wholly misconceived and does not oust the statutory jurisdiction of this Hon'ble Authority.

40. It is submitted by the Complainant that the Complainant exercised the statutory right to approach RERA in good faith and in accordance with law.

41. It is submitted by the Complainant that repeated attempts to resolve the matter with the Respondent were frustrated by evasive conduct, lack of authorised leadership and a stone-walling CRM process.

42. It is submitted by the Complainant that there is no legal requirement under RERA to issue a prior legal notice before filing the present complaint and that the Respondent's contention in this regard is a blatant attempt to delay proceedings.

43. It is submitted by the Complainant that while the Complainant does not dispute the Respondent's development rights or statutory approvals, those facts do not absolve the Respondent from delivering possession as contractually committed.

44. It is submitted by the Complainant that registration with RERA does not permit the Respondent to flout statutory duties or to evade accountability for delay, lack of transparency and non-disclosure of realistic possession timelines.

45. It is submitted by the Complainant that the Respondent's selective quotation of Sections and facts demonstrates a disregard for the promoter's obligations under Sections 4, 11 and 18 of the RERA Act.

46. It is submitted by the Complainant that the Respondent's pattern of non-compliance, misrepresentation and procedural impropriety merits the serious attention of this Hon'ble Bench.

47. It is submitted by the Complainant that the Complainant has paid 100% of the consideration and duly registered the flat, and that the Respondent's reply fails to address the central grievance of inordinate delay in handing over possession.

48. It is submitted by the Complainant that the Respondent's invocation of project registration extensions is legally irrelevant to the assessment of delay against the possession date fixed in the Agreement of Sale.

49. It is submitted by the Complainant that Section 19(2) of the RERA Act entitles the allottee to claim possession in accordance with the AOS and that regulatory extensions cannot be permitted to nullify the contractual possession date.

50. It is submitted by the Complainant that acceptance of a deferred delivery date of February 2026 would render the AOS a meaningless formality and would defeat the protective purpose of the RERA framework.

51. It is submitted by the Complainant that the Respondent's attempt to shift focus to sanctioned plans and specifications is a diversionary tactic, since the dispute relates solely to delay in possession.

52. It is submitted by the Complainant that despite receiving the full sale consideration of Rs. 89,52,750/- the Respondent has breached Clause 7.1 of the AOS by failing to deliver possession by 31st August 2024.

53. It is submitted by the Complainant that the Respondent's selective reliance on Clause 7.2 is misplaced because no Occupancy Certificate has been tendered and no written offer of possession has been made to the Complainant.

54. It is submitted by the Complainant that Clause 9, dealing with events of default, is now squarely attracted by the Respondent's failure to meet the committed possession date and must be enforced.

54. It is submitted by the Complainant that the Complainant has fully complied with all payment obligations under Schedule C and is therefore entitled to the statutory remedies under Section 18(1).

55. It is submitted by the Complainant that the defamatory allegation that the complaint was filed with an ulterior motive is denied and that the Complainant has disclosed all material facts, including the AOS, payment proofs and the Sale Deed.

56. It is submitted by the Complainant that the Respondent's present attempt to delay delivery by a further eight months is a continuation of the Respondent's pattern of procrastination and misrepresentation.

57. It is submitted by the Complainant that the Respondent cannot legitimately invoke general limitation extensions granted during the pandemic to justify a promoter's contractual failure under the RERA regime.

58. It is submitted by the Complainant that the Agreement of Sale was executed on 15th December 2022, after the initial pandemic lockdowns, and therefore retrospective reliance on COVID-related limitation extensions is both legally irrelevant and factually misplaced.

59. It is submitted by the Complainant that the Respondent's claim that labour migration caused the present delay is not applicable to the Complainant's unit, which has been structurally complete for over eighteen months and yet remains undelivered.

60. It is submitted by the Complainant that the lack of post-structural completion progress demonstrates mismanagement and a lack of bona fide intent to complete and handover the unit.

61. It is submitted by the Complainant that the Respondent has failed to produce documentary evidence of transparent, specific and timely communications to allottees regarding delays, and blanket assertions of "intimation" are legally insufficient.

62. It is submitted by the Complainant that vague references to "various additional factors" and "cascading effects" without particulars or documentary proof are nothing but generic excuses and do not discharge the Respondent's contractual liability.

63. It is submitted by the Complainant that any clerical or typographical errors alleged by the Respondent cannot be used to escape a clear contractual commitment made in writing, namely the AOS dated 15th December 2022 with possession fixed as 31st August 2024.

64. It is submitted by the Complainant that the Respondent's retrospective assertion that the committed timeline was an "error" is a dishonest afterthought and must be rejected.

65. It is submitted by the Complainant that the Complainant has produced documents showing the AOS dated 15th December 2022, the Sale Deed and payment receipts evidencing full payment of Rs. 89,52,750/-.

66. It is submitted by the Complainant that under Section 19(2) the entitlement to possession is governed by the AOS and not by the outer limit of project registration validity.

67. It is submitted by the Complainant that the claim being pressed is limited to statutory interest under Section 18(1) for the period of delay and not cancellation or refund, and that such interest is a non-negotiable statutory entitlement upon failure to deliver possession.

68. It is submitted by the Complainant that the Respondent's invocation of force majeure due to COVID-19 is inapplicable given the date of the AOS and the substantial period of post-COVID normalcy during which little or no progress was made.

69. It is submitted by the Complainant that denial of the statutory relief claimed would set a dangerous precedent allowing unscrupulous promoters to escape liability despite full receipt of price from innocent allottees.

70. It is submitted by the Complainant that in view of the foregoing the Hon'ble Authority should grant interest for the delayed period under Section 18(1) of the RERA Act and pass such other directions as may be necessary in the interests of justice.

D. Points for Consideration

71. 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?

E. Observations of the Authority:

Point 1:

72. 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:

73. 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 of 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, failing which the same shall be settled through adjudication officer appointed under the Act.”

74. 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.

75. 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.

76. 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.”

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

78. In the present matter, there is only a clause requiring amicable discussion before invoking remedies. Such a clause is directory at best, and cannot override or defeat the statutory right of the Complainant to approach this Authority under the RE(R&D) Act, 2016. Accordingly, this Authority has no hesitation in holding that the Complainant is well within its rights to approach this forum without being first compelled to pursue an amicable settlement under the Agreement. The objection of the Respondent as to maintainability is therefore rejected.

Point No. 2:

79. 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.

80. It is the case of the Complainant that the Sale Deed for the subject property was executed on 22.08.2024. As per the Agreement of Sale as executed in the year 2022, the stipulated date for handing over possession of the scheduled property was 31.08.2024. The Respondent has not denied this contractual obligation in its Counter Affidavit filed before this Authority. Therefore, it is noted that the Agreement of Sale preceded the execution of the Sale

Deed, and the rights flowing therefrom continue to bind the parties. The Sale Deed dated 22.08.2024 was executed on account of the Complainant purchasing the property from the landowner. Accordingly, the date of possession stipulated in the Agreement of Sale is 31.08.2024, which remains the relevant and binding contractual timeline to be considered.

81. Additionally, the Respondent has not denied that the agreed date for delivery of possession was August 2024, and therefore the obligation to deliver the said possession of scheduled property remains enforceable. Accordingly it is noted that the scheduled property must be handed over by 31.08.2024, with a grace period of six months, ending on 28.02.2025. The Respondent has failed to hand over possession even as of February 2025.

82. 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.

83. 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?

84. This Authority finds no merit in such a contention. The Sale Deed was executed on 22.08.2024, and the Agreement of Sale was executed in the year 2022 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 of Sale by specifically assuring completion of the project by August 2024. 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.

85. 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.

86. 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...".

87. 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.

88. 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 the year 2022 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

89. 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.

90. 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.”

91. 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).

92. Accordingly, an aggregate 18 months' extension was applied across projects to safeguard larger consumer interest. However, it is equally well settled that such regulatory extensions cannot dilute the contractual rights of individual allottees under their respective Agreements of Sale, nor can they displace the statutory rights flowing from Section 18 of the RE(R&D) Act, 2016.

93. 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”

94. 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.

95. 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:

96. It has been observed by this Authority that the total sale consideration is for an amount of Rs. 89,52,750/- (Rupees Eighty Nine Lakh Fifty Two Thousand Seven Hundred And Fifty Only). That, as per the Sale Deed the Complainant has duly paid the entire amount of Rs. 89,52,750/- (Rupees Eighty Nine Lakh Fifty Two Thousand Seven Hundred And Fifty Only) towards the total sale consideration. Further, the Agreement of Sale clearly stipulated possession by 31.08.2024, with a grace period of 6 months to 28.02.2025. Admittedly, possession has not been delivered.

97. 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.

98. 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”

99. 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.

100. 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.

101. 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."

102. 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:

The logo for the Real Estate Regulation and Development Authority (RERA) of India. It features a stylized 'R' and 'E' in blue and pink, with the word 'RERA' in a large, bold, pink sans-serif font to the right.

"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."

103. 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."

104. 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, 2016 which mandates adherence to the terms of the Agreement of Sale.

105. 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.

106. 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 01.03.2025 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.

107. Accordingly, while the Complainant is entitled to relief under Section 18 of the RE(R&D) Act, 2016 this entitlement is subject to the reciprocal statutory duty of the Complainant to discharge any outstanding amounts under the payment plan, if not already paid. Compliance on both sides is essential to ensure balance of obligations and timely delivery.

108. This Authority cannot remain oblivious to the larger pattern of violations. It is noted with grave concern that more than fifty complaints have already been received against this very Respondent in respect of the subject project. Such repeated defaults and false assurances strike at the very root of the confidence that homebuyers are entitled to repose under the protective framework of the RE(R&D) Act, 2016.

109. The Statement of Objects and Reasons of the RE(R&D) Act, 2016 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.

110. Accordingly, this Authority hereby sternly warns the Respondent promoter that any further default, non-compliance, or failure to deliver possession within the assured statutory timelines or any fresh grievances brought to notice by allottees shall invite invocation of Section 63 of the RE(R&D) Act, 2016.

111. 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.

112. 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.

113. 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.

114. 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:

115. 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., 28.02.2025 (inclusive of grace period).
- e. The Complainants are entitled to interest at the rate of 10.70% 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 01.03.2025 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.

116. 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.

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

118. 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

119. 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

