BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 213 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. Majeti Jeevan Kumar
2. Smt. Majeti Naga Sandhya Devi
R/o #1-4/2-7A, Hemadri Chalapathi Rao Street,
Bhavanipuram, Vijayawada,
Krishna AP-520012

…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 Complainants, Jeevan Sriram Majeti and Naga Sandhya Devi Majeti, entered into an Agreement of Sale with the Respondent, M/s. Vasavi Realtors LLP, on

June 17th, 2023, for the purchase of a flat bearing no. E 050609 in the project known as "Vasavi Lake City East" (RERA No: PO2500001821).

4. The Complainants stated that, as per the agreed terms, they have paid 90% of the total sale consideration. It was further submitted that the Agreement of Sale stipulated the date of possession to be on or before August 2024. The expectation of timely delivery was based on the Respondent's extensive promotions, assurances from its sales personnel, and information conveyed through monthly reports and meetings.

5. It was contended that despite these assurances and the Complainants fulfilling their payment obligations, the project has faced significant and unjustified delays. As of February 2025, the project remains incomplete. The Complainants alleged that the Respondent has repeatedly postponed the handover date, offered vague reasons for the delay, and failed to communicate a clear and firm timeline, thereby leaving the Complainants in a state of uncertainty and financial distress.

6. The Complainants submitted that as of January 2025, the project was only 60% to 70% complete, with no major construction work having been carried out since that time. Key components such as interior finishing, common amenities, and supporting infrastructure are yet to be completed. It was further alleged that the Respondent ran a misleading promotion in the Eenadu Newspaper, falsely claiming that possession would commence in March 2025.

7. The Complainants contended that the continued delay in handing over possession constitutes a serious violation of the provisions of the RE(R&D) Act, 2016. By collecting 90% of the payment and failing to adhere to the contractual timeline, the Respondent has allegedly breached its statutory obligations, causing the Complainants financial strain and severe mental distress. It was also stated that the Complainants have followed up with the Promoter on numerous occasions, including formal meetings on September 8th, 2024, and November 23rd, 2024, for which signed Minutes of Meetings are on record.

B. Reliefs 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, and to ensure all remaining work is completed within a fixed and enforceable timeframe, failing which strict penalties may be imposed.

ii. To direct the Respondent to pay interest to the Complainant on the total amount paid, calculated at the rate prescribed under Section 18 of the RERA Act, 2016, from the promised possession date of August 2024 until the actual date of handover.

iii. To direct the Respondent to pay adequate compensation for the severe mental distress, financial strain, and other losses incurred by the Complainant as a result of the prolonged delay, including the reimbursement of rent paid during the said period.

C. Counter filed by the Respondent

9. The Respondent in the Counter contended at the outset that the complaint is not maintainable either in law or on the facts and is liable to be dismissed. It was submitted that the Complainant has not exhausted the dispute resolution methods provided within the Agreement of Sale before approaching this Authority. Furthermore, it was argued that the complaint is liable to be dismissed on the ground that the Complainant failed to issue a mandatory legal notice prior to filing the present action.

10. The Respondent submitted that it lawfully obtained the rights to develop the project "LAKE CITY-EAST" on a total land area of 34,704.37 sq. yds. after receiving the requisite permissions, including building permission dated 02.07.2020. The project was subsequently registered with the Authority under Registration No. PO2500001821 on 03.20.2020.

11. It was stated that the Complainant was allotted apartment number E.050609 on the 6th floor of Tower 5, with a total consideration of Rs. 60,66,500/-, as stipulated in the Agreement of Sale. The Respondent acknowledged the terms of the agreement but contended that certain clerical errors, such as an unrealistic possession date of 08.31.2023 for a project of this magnitude, should not be exploited.

12. The primary contention of the Respondent was that any delay in the project falls squarely under the force majeure clause of the agreement. It was argued that the project sanction on 02.07.2020 was immediately followed by the declaration of the COVID-19 pandemic and the subsequent nationwide lockdown in March 2020. This unforeseen event, it was submitted, constituted a public health emergency of international concern, leading to a complete shutdown of all activities.

13. The Respondent elaborated that the lockdown caused a severe crisis, particularly the mass exodus of the migrant labor force, which formed the core of the construction workforce in Hyderabad. This dislocation had a cascading and catastrophic effect on the project's timeline,

a fact that was communicated to all allottees. The Respondent relied on the Hon'ble Supreme Court's order in Suo Motu Writ Petition No. 3 of 2020, wherein the extension of limitation periods during the COVID-19 pandemic was granted, recognizing the unprecedented circumstances.

14. It was further submitted that, in addition to the pandemic, the project faced delays due to unforeseen on-site conditions, specifically the presence of a large rock mass that required manual breaking as explosive blasting was not permitted in the residential vicinity. The project was also affected by third-party litigation, including several writ petitions and other cases, which, while mostly disposed of, contributed to the delay.

15. The Respondent denied the allegations of making false claims and asserted that the Complainant had suppressed material facts. It was contended that the claims for interest and compensation are not tenable, as the delay was caused by circumstances beyond the Respondent's control, as defined under the force majeure clause of the agreement and Section 6 of the Act.

16. Finally, the Respondent submitted that the project's RERA registration has been lawfully extended by the Authority until 02.07.2026. The Respondent provided an undertaking to this Authority to complete the project and deliver the constructed flats on or before February 2026, stating that over 90% of the work has been completed and is in its final finishing stages. Therefore, the Respondent prayed for the dismissal of the complaint.

D. Rejoinder filed by the Complainant

17. It is submitted by the complainant that the objection raised by the Respondent is vague, legally unsustainable, and liable to be rejected in limine. The complaint has been validly instituted under Section 31 of the Real Estate (Regulation and Development) Act, 2016, which confers a clear statutory right upon any aggrieved allottee to seek redress before this Hon'ble Authority. The Agreement of Sale dated 17th June 2023 unequivocally records the committed possession date as 31st August 2024, and till date the unit remains undelivered.

18. It is submitted by the complainant that the Respondent's reliance on internal dispute-resolution mechanisms under the Agreement is wholly misconceived. Section 31 overrides any private contractual stipulation and expressly empowers the allottee to approach this Hon'ble Authority for grievances, including delay in possession, breach of contractual obligations, and deficiency in services. The Complainant and other allottees even attempted to amicably resolve

concerns by approaching the Respondent multiple times; however, no definitive possession timeline was provided, and the Respondent continued to shift delivery dates arbitrarily.

19. It is submitted by the complainant that repeated attempts to communicate were met with evasive responses, unavailability of the leadership, and persistent deflection by the CRM team, creating an endless loop of non-accountability. Such conduct reflects avoidance tactics and strengthens the maintainability of this complaint.

20. It is submitted by the complainant that there is no requirement under RERA to issue a legal notice prior to filing a complaint under Section 31. Any plea raised on that ground is irrelevant and intended only to delay proceedings.

21. It is submitted by the complainant that while the Respondent may have obtained development rights and permissions, these facts do not absolve them of their statutory and contractual obligation to deliver possession within the agreed timeline. Registration with RERA is not a shield against non-compliance. On the contrary, RERA registration increases accountability. The Respondent's post-registration conduct evidences continued disregard for Sections 4, 11 and 18 of the Act, including failure to update project status transparently and failure to adhere to promised schedules.

22. It is submitted by the complainant that the Agreement of Sale dated 17th June 2023 is the only binding and enforceable document governing the relationship between the parties. The Complainant has already paid Rs.57,32,842/-, being over 90% of the total consideration, strictly as per Schedule C, and remains willing to remit the next instalment upon receiving a lawful demand letter. The Complainant is not in default of any payment, and the Respondent's insinuations to the contrary are false and misleading.

23. It is submitted by the complainant that any extension secured by the Respondent from the Authority does not override the contractual possession date of 31st August 2024. Under Section 19(2) of the Act, the allottee is entitled to possession as per the Agreement for Sale, not based on unilateral extensions later obtained by the developer.

24. It is submitted by the complainant that the Respondent's attempt to divert attention to specifications or sanctioned plans is irrelevant, as the present complaint concerns delay in possession, not alteration of specifications. The Respondent has accepted over 90% of the sale

consideration yet failed to hand over possession, constituting breach under Clause 7.1 and violation of Section 18 of the Act.

25. It is submitted by the complainant that the Respondent's reliance on force majeure is misplaced, baseless, and factually inaccurate. The Agreement was executed in June 2023, after the COVID-19 situation had normalized nationwide. The Respondent knowingly committed to the possession date despite full awareness of prior pandemic conditions. They cannot now retroactively invoke COVID-19 as a defence. Moreover, any claim of force majeure requires contemporaneous notice, evidence, and mitigation efforts—none of which have been produced.

26. It is submitted by the complainant that Clause 7.2 relating to possession cannot be invoked as the Respondent has not obtained or communicated any Occupancy Certificate. Without obtaining statutory approvals, the Respondent cannot rely on possession-related clauses to deflect responsibility.

27. It is submitted by the complainant that reckless and defamatory allegations made by the Respondent—suggesting that the complaint was filed for harassment or ulterior motives—are categorically denied. Approaching this Hon'ble Authority is a statutory right, and such statements reveal an attempt to divert attention from the Respondent's continued non-performance.

28. It is submitted by the complainant that the Respondent had full knowledge of all circumstances, including the pandemic, at the time of promising delivery by 31st August 2024. The Complainant's unit in Tower 5 East Wing was structurally completed over 28 months ago, after which progress came to a standstill despite the Respondent having collected more than 80% of the sale consideration. Such avoidable delay constitutes breach of the Agreement of Sale and violations of Sections 11 and 18 of the Act.

29. It is submitted by the complainant that all progress updates from the Respondent were received only after persistent follow-up. No proactive disclosures were made regarding delays or revised timelines.

30. It is submitted by the complainant that detailed documentary evidence has already been provided, including the Agreement of Sale, payment proofs, Minutes of Meetings, communication records, shifting verbal promises, absence of any possession notice, and

complete timeline of delays. The Respondent has failed to produce any contrary evidence and instead resorted to unfounded allegations.

31. It is submitted by the complainant that the Respondent's unconditional undertaking to complete the project by February 2026 does not erase their liability to pay interest for the delay already accrued from 1st September 2024 onwards. Courts and RERA authorities have repeatedly held that undertakings do not override statutory obligations under Section 18(1).

32. It is submitted by the complainant that the claim that the project is in its "final stages" is contradicted by the absence of finishing works, missing amenities, and non-availability of the OC. Structural completion alone does not constitute possession readiness under RERA.

33. It is submitted by the complainant that the promoter's statutory duty under Section 11 includes ensuring the project is free of encumbrances and keeping allottees informed of project progress. No such proactive disclosures have been made.

34. It is submitted by the complainant that there is no consent whatsoever from the Complainant for any extension beyond August 2024, and no default in payment exists. The Complainant is merely seeking the rightful statutory remedy of interest/compensation under Section 18(1) for the Respondent's unjustified delay, not cancellation or refund.

35. It is submitted by the complainant that the Respondent's description of this complaint as "preposterous" or "false" is unfounded, dismissive, and intended to undermine a legitimate statutory grievance.

36. The Complainant therefore prays that this Hon'ble Authority uphold the sanctity of the Agreement of Sale and enforce the promoter's liability under Section 18(1) of the RERA Act.

D. Points for Consideration

37. 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:

38. 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:

39. The Authority finds this objection untenable for the following reasons: 43. 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."*

40. 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, 2016 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, 2016 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.

41. 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.

42. 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."**

43. 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 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."

44. 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:

45. 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 90% of the total sale consideration, causing significant financial and emotional distress.

46. It is the case of the Complainant that the Agreement of Sale dated 17.06.2023 clearly stipulated that possession of the subject flat would be handed over by 31.08.2024, with a grace period of six months, ending on 29.02.2025. 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% to 70% as per the Complainant's submission, with key aspects such as interior finishing, common amenities, and supporting infrastructure remaining unfinished. The Complainant submits that the Respondent has issued multiple revised handover schedules without providing valid justification or a clear roadmap for completion.

47. The Complainant further submits that despite assurances made, including a promise to pay compensation for delay as per RERA guidelines, no such compensation has been provided. The Respondent, conversely, attributes the delay to the Covid-19 pandemic, claiming force majeure, citing the nationwide lockdown beginning March 2020, the impact on migrant labour, and consequential delays. The Respondent further cites rocky terrain at the site, third-party disputes, and typographical errors in the possession date as additional justifications.

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

48. This Authority finds no merit in such a contention. The Agreement of Sale was executed on 17.06.2023, 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 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.

49. It is a settled principle that once a promoter has chosen to register a project and enter into binding contractual commitments with allottees, he does so with full knowledge of the risks, constraints, and challenges of the market. At the time of entering into the Agreement of Sale with the present Complainant, the Respondent was already aware of the Covid-related disruptions, as well as the Government notifications granting moratoriums for project completion timelines. Despite this knowledge, the Respondent chose to provide a specific assurance of delivery by August 2024.

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

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

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

52. Therefore, the plea of Covid-19 as a force majeure defence in the present case is wholly untenable. The Respondent, having executed the Agreement of Sale in June 2023 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

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

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

> *"An Act to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto."*

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

1. 15.03.2020 to 14.09.2020 (Circular No.14 dated 13.05.2020),

2. 15.09.2020 to 15.03.2021 (Order No.15 dated 29.09.2020),

3. 15.03.2021 to 14.09.2021 (Order No.16 dated 01.06.2021).

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

57. In the present matter, it is evident that the Respondent has unilaterally revised possession timelines to February 2026 due to the extension taken without consultation or consent of the Complainants. Such unilateral revisions are impermissible. The Hon'ble Bombay High Court in *Neelkamal Realtors Suburban Pvt. Ltd. vs. Union of India & Ors. [2017 SCC OnLine Bom 9302]*, while upholding the constitutional validity of RERA, categorically observed:

> ***Para 119*** *"The RERA does not contemplate rewriting of contract between the flat purchaser and the promoter."*
>
> ***Para 256*** *of this Judgment further clarifies that "by giving opportunity to the promoter to prescribe fresh timeline under Section 4(2)(l)(C), he is not absolved of the liability under the agreement for sale"*

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

59. Accordingly, this Authority holds that the revised possession dates mentioned by the Respondent, whether while seeking extensions before the Authority or as updated on the registration portal, cannot be treated as binding on the Complainants.

(iii)Relief under Section 18 of the RE(R&D) Act:

60. It has been observed by this Authority that the total sale consideration is for an amount of Rs. 60,66,500/- (Rupees Sixty Lakh Sixty Six Thousand Five Hundred Only). That, as per

the Agreement of Sale the Complainant has paid an amount of Rs. 6,40,116/- (Rupees Six Lakh Forty Thousand One Hundred And Sixteen Only). However it is observed that as per the payment receipts placed before this Authority that a sum of Rs. 57,32,842/- (Rupees Fifty Seven Lakh Thirty Two Thousand Eight Hundred And Forty Two Only) has been duly paid by the Complainant herein towards the sale consideration. Further, the Agreement clearly stipulated possession by 31.08.2024, with a grace period of 6 months to 29.02.2025. Admittedly, possession has not been delivered.

61. The Respondent's contention that 90% work is complete and that the Complainants have paid only a portion of the consideration is wholly unsustainable. The Complainants have already paid over 90% of the agreed consideration as per their averments. Despite receiving such substantial sums, the Respondent has failed to honour its contractual obligations. It is manifest that the Respondent gave false assurances, being fully conscious of the market situation, yet assuring dates of completion that it had no capacity to honour. More than one year has elapsed beyond the stipulated date, yet the project is neither complete nor possession handed over.

62. The Respondent further seeks to shift the burden on the Complainant by contending that the balance amount is unpaid. This plea is untenable. The law does not permit a defaulter to take advantage of its own breach. As held by the Hon'ble Supreme Court in ***Kusheshwar Prasad Singh v. State of Bihar [Civil Appeal No. 7357 of 2000]:***

> *"It is settled principle of law that a man cannot be permitted to take undue and unfair advantage of his own wrong to gain favourable interpretation of law. It is sound principle that he, who prevents a thing from being done shall not avail himself of the non-performance he has occasioned. To put it differently, "a wrongdoer ought not to be permitted to make a profit out of his own wrong"*

63. In this context, 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.

64. 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.

65. Now, Section 18 of the RE(R&D) Act is categorical:

> *"(1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building,—*
>
> *(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or*
>
> *(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason, he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act:*
>
> *Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed.*
>
> *(2) The promoter shall compensate the allottees in case of any loss caused to him due to defective title of the land, on which the project is being developed or has been developed, in the manner as provided under this Act, and the claim for compensation under this subsection shall not be barred by limitation provided under any law for the time being in force.*
>
> *(3) If the promoter fails to discharge any other obligations imposed on him under this Act or the rules or regulations made thereunder or in accordance with the terms and conditions of the agreement for sale, he shall be liable to pay such compensation to the allottees, in the manner as provided under this Act."*

66. This statutory right of allottee is unqualified and absolute. Attention is drawn to the decision of the Hon'ble Supreme Court of India in ***Civil Appeal Nos. 3581-359 of 2022, Civil Appeal Diary No. 9796/2019, M/s Imperia Structures Limited vs. Anil Patni & Others,*** wherein it was held:

> *"In terms of Section 18 of the RERA Act, if a promoter fails to complete or is unable to give possession of an apartment by the date specified in the agreement, the promoter would be liable, on demand, to return the amount received in respect of that apartment if the allottee wishes to withdraw from the project. Such a right of the allottee is 'without prejudice to any other remedy available to him'. This right is unqualified, and if availed, the deposited money must be refunded with interest as prescribed. The proviso to Section 18(1) contemplates that if the allottee does not intend to withdraw from the project, they are entitled to interest for every month of delay until possession is handed over. The allottee may proceed under Section 18(1) or the proviso thereto."*

67. Similarly, in Civil Appeal Nos. 6745-6749 of 2021, ***M/s Newtech Promoters and Developers Private Limited vs. State of UP & Others***, the Hon'ble Supreme Court observed:

> *"Section 18(1) of the Act spells out the consequences if the promoter fails to complete or is unable to give possession of an 9 of 10 apartment, plot, or building in terms of the agreement for sale. The allottee/home buyer holds an unqualified right to seek a refund of the amount with interest as prescribed."*

68. Further, as earlier observed, the Hon'ble Bombay High Court in *Neelkamal Realtors Suburban Pvt. Ltd. v. Union of India [(2017) SCC Online Bom 9302]* clarified that RERA registration or its extension cannot rewrite the contract between parties. The date assured under the Agreement of Sale, executed with the allottee's consent, 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.

69. At the same time, if the Complainant has indeed defaulted in adhering to the payment schedule, the Respondent is not without remedy. Sections 19(6) and 19(7) of the Act confer upon the promoter a right to claim interest for delayed payments, as per Rule 15 of the Telangana RE(R&D) Rules, 2017. Nevertheless, such entitlement shall be subject to the Respondent producing cogent and substantive documents demonstrating both the stage-wise

progress of construction and the corresponding default, and not merely based on unilateral assertions.

70. In the present case, this Authority finds the Respondent in clear breach of both statutory and contractual obligations. The Complainant is therefore entitled to interest at the prescribed rate for the entire period of delay, i.e., from 01.03.2025 (inclusive of grace period) until the actual date of handing over possession. As regards claims of compensation, this Authority notes that jurisdiction for adjudicating compensation lies with the Adjudicating Officer under Section 71 of RE(R&D) Act with Form 'N'. The Complainant is at liberty to pursue such remedy separately.

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

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

73. The Statement of Objects and Reasons of the RE(R&D) Act explicitly emphasizes "greater accountability towards consumers and to inject transparency, efficiency, and discipline in the real estate sector". The conduct of the Respondent herein is in gross derogation of that legislative mandate. If such violations are permitted to persist, the very soul of the Act would stand diluted and the protection promised to allottees rendered illusory.

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

75. This Authority shall not hesitate to take the strictest view in future, for the Act was enacted not as a mere regulatory framework but as a beneficial legislation to protect innocent homebuyers from the very malaise exemplified by the conduct of this Respondent. 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.

76. 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.

77. 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:

78. 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.

79. 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.

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

81. 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.

82. 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**