

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 418 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

Shri. Sandeep Thuthike Naga Venkata Satya

*Flat No. 106, A-03 Block, Sahabhavana Township,
Nagole Bandlaguda Road, Hyderabad- 500068.*

...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 final hearing on 30.10.2025 before this Authority in presence of Complainant and the Respondent. Upon perusing 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

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:

1. It is submitted by the complainant that the complainant booked Flat West – Tower 3 – 3401 in the project Vasavi Lake City, West (RERA No. P02500001819) on 17/02/2021 based on the builder's advertisements, personal interactions with the marketing team, and information

available on the website, all of which projected the project as a well-planned and timely development.

2. It is submitted by the complainant that the purchase was made with the expectation that the builder would deliver the flat within the promised timeframe.

3. It is submitted by the complainant that the complainant made 80% of the total flat cost (excluding taxes, corpus and maintenance fund) within 43 days from the date of booking, strictly as per the terms mentioned in Page No. 9 of the Agreement of Sale.

4. It is submitted by the complainant that the remaining 20% of the consideration was contractually payable only at the time of possession, as per the Agreement of Sale executed on 12/03/2021.

5. It is submitted by the complainant that the builder, Mr. Yerram Vijay Kumar, personally assured the complainant that possession would be handed over by August 2023, and even stated that possession could be expected before the committed deadline.

6. It is submitted by the complainant that despite these clear assurances, the project has undergone repeated and unjustified delays, and as of March 2025, the flat still remains incomplete.

7. It is submitted by the complainant that the builder has continuously postponed the handover date, offering vague explanations without any definite commitment.

8. It is submitted by the complainant that each time the complainant enquired about possession, new dates and false assurances were provided, but no actual progress was visible at the site.

9. It is submitted by the complainant that having paid 80% of the flat cost, the complainant has been left in a state of financial uncertainty and severe distress, as the prolonged delay has adversely affected future planning and investments.

10. It is submitted by the complainant that as of January 2025, the overall progress of the project was only 60% to 70%, despite multiple deadlines given by the builder.

11. It is submitted by the complainant that no major construction work has been carried out for the past 18 months, indicating complete stagnation of progress.

12. It is submitted by the complainant that vital components such as interior finishing, common amenities, and essential supporting infrastructure remain incomplete.

13. It is submitted by the complainant that despite repeated follow-ups, the builder has failed to share any clear or realistic completion schedule.

14. It is submitted by the complainant that the absence of meaningful progress and lack of communication raise serious doubts about the builder's intention and commitment to completing the project.

15. It is submitted by the complainant that the delay in possession constitutes a grave violation of RERA provisions, as the builder has failed to deliver the project within the agreed timeline and has offered no valid justification.

16. It is submitted by the complainant that the builder collected payments strictly within the agreed timelines but failed to honour the contractual obligations relating to delivery of possession.

17. It is submitted by the complainant that such conduct amounts to a clear breach of Sections 11, 18, and 19 of the RERA Act.

18. It is submitted by the complainant that the prolonged delay has caused significant financial strain, mental stress, and emotional distress to the complainant.

19. It is submitted by the complainant that due to continued delay, lack of accountability, and absence of a firm completion date, this complaint is being filed before this Hon'ble Authority seeking urgent intervention, financial compensation, and strict action against the builder to ensure justice and timely completion.

B. Relief(s) Sought:

20. Accordingly, the Complainant sought the following reliefs:

1. To direct the Respondent to complete the remaining construction work and hand over possession of the complainant's flat within a fixed, enforceable timeframe, as the project has been delayed far beyond the committed possession date despite 80% of the consideration already being paid.
2. To direct the Respondent to pay interest on the total amount paid by the complainant, as mandated under Section 18 of the RERA Act, calculated from the promised possession date of August 2023 until the actual date of handover, in view of the prolonged and unjustified delay.
3. To direct the Respondent to pay compensation for the mental harassment, financial strain, and hardship caused to the complainant due to repeated delays, false assurances, and lack of transparency, in addition to the statutory interest for delayed possession.

C. Counter filed by the Respondent:

21. It is submitted by the Respondent that they have agreed to develop the project LAKE CITY–WEST and have lawfully obtained the development rights from the landowners under registered documents. It is further submitted by the Respondent that the landowners entrusted a total extent of 43,298.17 sq. yds. for development of the residential project known as LAKE CITY–WEST (“Project”). It is submitted by the Respondent that all requisite documents and permissions were obtained from the landowners and the statutory authorities as required under law.

22. It is submitted by the Respondent that permission for land conversion and building permission for construction of multi-storied residential apartments was granted on 07.02.2020. The Project consists of Towers 1 to 7 having cellars + ground + 14 upper floors, and a clubhouse consisting of stilt + 5 floors. It is submitted by the Respondent that the total land utilised for the project is 40,869 sq. yds.

23. It is submitted by the Respondent that after obtaining all permissions, the project was duly registered before this Hon'ble Authority vide Registration No. P02500001819 dated 20.03.2020.

24. It is submitted by the Respondent that the complainant booked Apartment No. W-30401, situated on the 4th floor in Tower No. 3, admeasuring 1915 sq. ft. with parking. It is further submitted by the Respondent that the agreement specifies carpet area, balcony/veranda

area, common area share, and undivided share of land measuring 1260 Sft exclusive veranda balcony area is one 168 Sft and with an interest in common area is 487 Sft with an undivided right and interest in the schedule project land is 51 sq. yds., with a total sale consideration of ₹92,66,500/- as per the agreed Schedule.

24. It is submitted by the Respondent that the agreement entitles the Respondent to seek extension of registration based on valid grounds. Construction commenced and periodic updates regarding progress and amenities were provided to all allottees.

25. It is submitted by the Respondent that the parties agreed that no alterations to the sanctioned plan or specifications (Schedules D and E) shall be made. It is further submitted that the complainant paid ₹82,00,500/- towards booking amount, and the balance was to be paid as per Schedule-C.

26. It is submitted by the Respondent that Clause 7 of the agreement clearly provide that possession shall be given on or before 31.08.2023, subject to a grace period and delays caused by Force Majeure. It is submitted that Force Majeure automatically extends the commitment period, and during such period the allottee is not entitled to delay compensation.

27. It is submitted by the Respondent that possession can be offered only after obtaining the Occupancy Certificate, and the allottee must take possession within two months of such offer. Clause 9 governs default and consequences.

28. It is submitted by the Respondent that the present complaint is false, frivolous, and filed with mala fide intent to secure unlawful gain. It is submitted that the complainants have suppressed material facts and are attempting to mislead this Hon'ble Authority despite the clear terms of the Agreement for Sale.

29. It is submitted by the Respondent that the COVID-19 pandemic was an unprecedented medical emergency causing nationwide lockdowns beginning March 2020. It is submitted that the World Health Organization declared COVID-19 a public health emergency, and Government of India also imposed nationwide lockdowns affecting labour movement and construction activities.

30. It is submitted by the Respondent that the Hon'ble Supreme Court extended limitation timelines under various statutes owing to COVID-19, which demonstrates the extraordinary

nature of the circumstances. The Respondent relies upon this to show that legally recognized extensions applied to all sectors.

31. It is submitted by the Respondent that the project received sanction on 07-02-2020, just days before COVID-19 emerged as a national emergency. Migrant labourers forming the core construction workforce returned to their native places due to lockdowns, which severely impacted construction work.

32. It is submitted by the Respondent that several other factors, including complete labour evacuation and logistical restrictions, further delayed construction timelines. These delays were periodically communicated to all allottees.

33. It is submitted by the Respondent that the Complainant's allegations of repeated delays are unfounded and not supported by evidence. Some clerical mistakes in the agreement cannot be taken advantage of. It is reiterated that no project of this magnitude could have been completed within the COVID-impacted period.

34. It is submitted by the Respondent that the complaint contains baseless allegations made only to harass the Respondent. The project registration valid up to 07-02-2025 was duly extended by this Hon'ble Authority up to 07-02-2026.

35. It is submitted by the Respondent that certain third-party disputes also affected project timelines. The following cases were filed and contested, causing unavoidable delays:

(a) RERA Case No. 190/2020

(b) WP 2694/2021

(c) WP 13898/2022

(d) WP 33433/2023

(e) WA 584/2023

(f) SLP 9694-9695/2023

(g) WP 26301/2024 (pending)

36. It is submitted by the Respondent that continuous communication was made to all allottees explaining the reasons for delay and assuring phased completion and delivery.

37. It is submitted by the Respondent that no interest can be claimed for the delay because the delay falls squarely within Force Majeure as defined under Section 6 of RERA. The Respondent was prevented by circumstances beyond its control.

38. It is submitted by the Respondent that no compensation for mental agony or financial loss is maintainable, as the complainant has failed to establish any causal connection or evidence of deliberate delay by the Respondent.

39. It is submitted by the Respondent that the flats shall be delivered on or before February 2026, in accordance with the extension granted by this Hon'ble Authority. More than 90% of the work is completed, and allottees are being requested to pay the balance dues for final stages of construction.

40. It is submitted by the Respondent that the complainant agreed that COVID-19 was a valid reason for delay. Additional site challenges such as rocky terrain requiring manual excavation further contributed to delays, and these were informed to all allottees.

41. It is submitted by the Respondent that the complainant is not entitled to any relief for alleged delayed possession, since the causes for delay were beyond the control of the Respondent.

42. It is submitted by the Respondent that the complaint is frivolous, unfounded, and devoid of legal basis and is liable to be dismissed. The Respondent reiterates their commitment to completing and delivering the project as per the extended timeline.

D. Rejoinder filed by the Complainant:

43. It is submitted by the Complainant that the present complaint is filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 and that Section 31 expressly confers a statutory right on any aggrieved allottee to seek relief before this Hon'ble Authority.

44. It is submitted by the Complainant that the Agreement of Sale dated 19th June 2021 clearly stipulates the committed possession date as 31st August 2023 and that possession has not been delivered to date.

45. It is submitted by the Complainant that the Respondent's reliance on internal dispute-resolution mechanisms in the Agreement is misconceived and cannot oust the statutory jurisdiction of this Authority under RERA.

46. It is submitted by the Complainant that there is no statutory requirement under RERA to issue a prior legal notice before filing a complaint under Section 31 and that the Respondent's contention to the contrary is irrelevant.

47. It is submitted by the Complainant that the complainant has made repeated good-faith attempts to obtain clarity and resolution from the Respondent, but those attempts were met with avoidance and evasive responses.

48. It is submitted by the Complainant that the Respondent's reliance on booking dates, clerical errors, or technicalities cannot absolve it of its binding contractual obligations under the Agreement of Sale dated 19th June 2021.

49. It is submitted by the Complainant that the complainant has paid substantial consideration in accordance with Schedule C and that any suggestion of payment default by the Complainant is factually incorrect.

50. It is submitted by the Complainant that the Respondent's invocation of a RERA registration extension does not relieve the respondent of the possession commitment agreed in the AOS and that Section 19(2) confirms the allottee's entitlement to possession as per the agreement.

51. It is submitted by the Complainant that the Respondent has selectively and improperly quoted Clause 7.1 and that such selective citation cannot justify failure to deliver possession by 31st August 2023.

52. It is submitted by the Complainant that the six-month grace period, even if applicable, has been far exceeded and that as on the date of filing the complaint the complainant has not received possession.

53. It is submitted by the Complainant that the Respondent has not produced any documentary evidence of a valid invocation of force majeure, timely notice to allottees, or concrete mitigation measures taken to minimize delay.

54. It is submitted by the Complainant that the Agreement of Sale was executed on 19th June 2021 after the initial national lockdowns and therefore retrospective reliance on COVID-19 as a force majeure to justify continued non-performance is legally and factually untenable.

55. It is submitted by the Complainant that the period 2023–2025 witnessed substantial recovery in construction activity and that the respondent's failure to progress finishing and handover during this period indicates mismanagement and lack of intent rather than continuing force majeure.

56. It is submitted by the Complainant that Clause 7.2 is inapplicable because no Occupancy Certificate has been produced and no written offer of possession has been communicated to the complainant.

57. It is submitted by the Complainant that Clause 9 (events of default) stands attracted by virtue of the Respondent's unjustified delay and that the Respondent is therefore liable under the Agreement and under RERA.

58. It is submitted by the Complainant that the Respondent's vague references to "various additional factors" and "cascading effects" lack specificity and documentary proof and amount to generic excuses not acceptable under contract law or RERA.

59. It is submitted by the Complainant that the Respondent's retrospective plea of "clerical/typographical mistake" in a freely executed Agreement is a dishonest afterthought and cannot be relied upon to escape contractual commitments.

60. It is submitted by the Complainant that the respondent has failed to provide transparent, documented updates or realistic timelines to allottees and that sporadic verbal assurances do not discharge the promoter's statutory duties.

61. It is submitted by the Complainant that the complainant's unit in Tower 3 was structurally completed long ago and that lack of progress on finishing and handover thereafter demonstrates deliberate delay and neglect.

62. It is submitted by the Complainant that the Respondent's attempt to malign the complainant's motives is baseless, defamatory, and an improper tactic to divert attention from substantive defaults.

63. It is submitted by the Complainant that detailed documentary evidence including the AOS, payment receipts, minutes of meetings and correspondence, and timeline records have been produced in support of the complainant's claims.

64. It is submitted by the Complainant that the complainant is not seeking cancellation or refund but is seeking statutory remedies under Section 18(1) of RERA namely interest and other directions for unjustified delay in possession.

65. It is submitted by the Complainant that the Respondent's defences do not address the core issue of inordinate delay and that the complainant is entitled to relief as a matter of right under Sections 18 and 19 of the RERA Act.

66. It is submitted by the Complainant that the Respondent's conduct has caused real financial hardship and mental agony to the complainant's family, evidencing consequential losses warranting compensation and interest.

67. It is submitted by the Complainant that permitting the Respondent to escape liability on these facts would undermine RERA's protective purpose and set a harmful precedent for homebuyers.

68. It is submitted by the Complainant that this Hon'ble Authority should therefore reject the Respondent's maintainability objections and technical pleas, hold the Respondent liable for delayed possession, and grant interest and such other reliefs as deemed fit and proper in the circumstances.

D. Points for Consideration

69. 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 No.1:

70. 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:

71. 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.”

72. 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.

73. 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.

74. 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.”

75. 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, 1986 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."

76. 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:

77. The Complainants have sought relief on the ground that there has been an inordinate delay in handing over possession of the subject flat. It is the case of the Complainants where Agreement of Sale was executed on 19.06.2021 between the parties, clearly stipulated that possession of the subject flat would be handed over by 31.08.2023, with a grace period of six months, ending on 28.02.2024. The Respondent has failed to hand over possession even as on date. Further, although the project was registered with TG RERA up to February 2025 and later extended until 07.02.2026, the project remains incomplete.

78. The Complainants submit that the Respondent has repeatedly given false assurances of completion, while allottees continue to suffer. The Respondent, conversely, attributes the delay to the Covid-19 pandemic, claiming force majeure, citing the nationwide lockdown beginning March 2020, the impact on migrant labour, and consequential delays. The Respondent further cites rocky terrain at the site, third-party disputes, and typographical errors in the possession date as additional justifications.

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

79. This Authority finds no merit in such a contention. The Agreement of Sale was executed on 19.06.2021, well after the onset and subsiding of the Covid-19 pandemic. Having consciously undertaken such commitment, the Respondent cannot now, with retrospective justification, rely on Covid-19 as a defence to escape its contractual and statutory obligations. Such conduct clearly amounts to holding out false assurances with mala fide intent.

80. 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 31.08.2023 and six months of grace period.

81. 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..."

82. 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.

83. 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 2021 with specific possession timelines, cannot now seek to retrospectively attribute delays to the

pandemic. Accordingly, this Authority holds that the reliance on Covid-19 as a shield stands rejected.

ii) Extension of Registration

84. 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.

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

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

85. 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).

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.

86. In the present matter, it is evident that the Respondent has unilaterally revised possession timelines first to February 2024, and thereafter to February 2026 due to the extension taken without consultation or consent of the Complainants. Such unilateral revisions

are impermissible. The Hon'ble Bombay High Court in *Neelkamal Realtors Suburban Pvt. Ltd. vs. Union of India & Ors.* [2017 SCC OnLine Bom 9302], while upholding the constitutional validity of RERA, categorically observed:

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

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

87. 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.

88. 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:

89. It is observed as per the records furnished before this Authority that the entire sale consideration is for an amount of Rs. 92,66,500/- (Rupees Ninety Two Lakh Sixty Six Thousand Five Hundred Only). As per the Agreement of Sale executed between the parties it is noted that a sum of Rs. 82,00,500/- (Rupees Eighty Two Lakh Five Hundred Only) has been paid by the Complainants. The Agreement of Sale unequivocally stipulates that possession was to be delivered by 31.08.2023, with a grace period of six months, i.e., up to 28.02.2024. Admittedly, possession has not been delivered within the stipulated period.

90. 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 months has elapsed beyond the stipulated date, yet the project is neither complete nor possession handed over.

91. 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.”

92. 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.

93. 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.

94. 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.”

95. 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."

96. 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."

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

98. 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.

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

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

101. 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.

102. 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.

103. 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.

104. 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.

105. 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.

106. 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.

107. 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:

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

- a) The preliminary objection raised by the Respondent regarding the maintainability of the Complaint on account of the Dispute Resolution Clause in the Agreement of Sale stands rejected. The complaint is maintainable before this Authority.
- b) The Respondent's reliance on the Covid-19 pandemic as a ground of force majeure is held untenable, since the Agreement of Sale was executed after the subsiding of the pandemic and with full knowledge of the prevailing circumstances.
- c) The extension of registration taken by this Respondent cannot dilute the contractual rights of the Complainant under the Agreement of Sale. The date of possession as stipulated in the Agreement shall prevail.
- d) The Respondent is held liable for failure to hand over possession of the subject flat by the agreed date i.e., 28.02.2024 (inclusive of grace period).
- e) The Complainants are entitled to interest at the rate of 10.70% 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 01.03.2024 until actual handing over of lawful possession. The exact computation shall be subject to verification of such payments by the Respondent at the stage of effecting payment. The Respondent shall pay the arrears accrued up to the date of this Order within sixty (60) days, and shall thereafter continue to pay the accruing interest on a monthly basis, on or before the 10th day of each succeeding month, until possession is delivered.
- f) Insofar as compensation is concerned, the Complainant is at liberty to pursue appropriate proceedings before the Learned Adjudicating Officer under "Form N".
- g) The Respondent is hereby directed to complete the project forthwith and hand over possession to the Complainants within the statutory timelines.
- h) The Complainants are directed to pay the balance consideration strictly in accordance with the agreed payment schedule. In the event of any default in adhering to such schedule, the Respondent shall be at liberty to claim interest on the delayed amounts,

as provided under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017. However, such claim shall be substantiated by valid documentary evidence demonstrating that the default is aligned with the actual stage-wise progress of construction, and not merely on the basis of unilateral assertions.

109. 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.

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

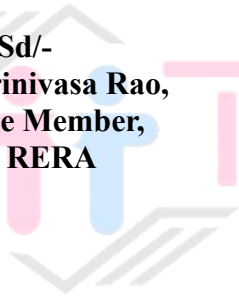
111. Failure to comply with above said directions by the Respondent shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.

112. 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



TELANGANA REAL ESTATE REGULATORY AUTHORITY