BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 838 of 2025
Dated: 17th November 2026

Coram: **Sri Laxmi Narayana Jannu, Hon'ble Member**
Sri K. Srinivasa Rao, Hon'ble Member

Between

Smt. Peetika Swapna, Advocate,
(W/o Shri G. Naveen Kumar,
B-503, Lotus Block, Concrete Palazzo,
Nacharam – 500076.) **…Complainant**

Versus

1. **M/s. Kausalya Infra Projects Pvt. Ltd.,**
(Sy. No. 144, Kavuri Hub, 2nd Floor, Nanakramguda, Gachibowli,
Serilingampally, Ranga Reddy District, Telangana – 500032.
Represented by its Director, Mr. Gorenkala Ramesh)

2.**M/s. BVM Energy & Residency Pvt. Ltd.,**
(15th Floor, Kapil Towers, Nanakramguda,
Hyderabad – 500032.
Represented by its Managing Director, Mr. V. Krishnaiah).

…Respondents

The present matter filed by the Complainant mentioned hereinabove came up for final hearing before this Authority on 19.06.2026, in the presence of the Complainant and the Authorized Representative Mr. Devender for the Respondents. Upon hearing the submissions of the parties, on perusal of the material on record, and the matter having stood over for consideration, this Authority proceeds to pass the following **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. Brief facts of the Case as per Form M filed by the Complainant

3. It is submitted by the Complainant that the Respondents advertised their commercial project "Kapil Business Park" (RERA Registration No. P02400002352) on their website www.kapilbusinesspark.com and on social media, inviting investments with assured monthly

returns. Believing these advertisements, she filled in the application form given by Respondent No. 1 and paid ₹36,00,000/- (Rupees Thirty-Six Lakhs only) by NEFT. The Respondents acknowledged the amount by Receipt Voucher No. RCQ644/24 dated 31.12.2024.

4. It is submitted by the Complainant that on 01.01.2025 an Agreement of Sale was executed between the parties in respect of Unit No. T-608/923/VIII, admeasuring 120 sq. ft. of saleable area on the 8th floor of the project. As per Clause 3 of the Agreement, Respondent No. 1 had the right to sell or lease sub-units of the 8th floor, which it had purchased from Respondent No. 2. The Complainant submits that both the Respondents are "promoters" as defined in Section 2(zk) of the Act and are jointly and severally liable under the Agreement and for the obligations under the Act.

5. It is submitted by the Complainant that as per Clause 10 of the Agreement, the Respondents agreed to pay a monthly Refundable Security Deposit (RSD) amount at ₹450/- per sq. ft., that is ₹54,000/- per month, commencing from the month after full payment of the consideration and continuing up to September 2026. Thereafter, on obtaining the Occupancy Certificate and execution of lease agreements, rent was to be paid at ₹225/- per sq. ft., that is ₹27,000/- per month. Under Clause 8(ii), the amount was payable on or before the 10th day of each following month.

6. It is submitted by the Complainant that the Respondents commenced payment of the RSD amount, but as per the month-wise statement the payments were delayed by 7 days in January 2025, 3 days in April 2025, 4 days in June 2025, 3 days in July 2025 and 16 days in August 2025. For September 2025, only ₹27,000/- was paid instead of ₹54,000/-.

7. It is submitted by the Complainant that by letter dated 31.05.2025 the Respondents informed her that, owing to circumstances beyond their control and a fall in property sales, they wished to alter the plan for refund of the RSD amount. By her reply dated 10.06.2025 the Complainant rejected any such change and called upon the Respondents to adhere to the original Agreement.

8. It is submitted by the Complainant that, as the Respondents continued to pay late, she issued a legal notice dated 17.09.2025 to both the Respondents, calling upon them to comply with the Agreement and warning that she would cancel it if the default continued. The Respondents did not give any written reply. Respondent No. 1 paid the August 2025 amount of ₹54,000/- only on 28.09.2025, a delay of 16 days. For September 2025, the Respondents paid only ₹27,000/- on 10.10.2025 instead of ₹54,000/-. By her letter dated 12.10.2025

(Annexure-G), the Complainant accepted this part payment under protest and demanded the balance of ₹27,000/-.

9. It is submitted by the Complainant that the acts of the Respondents amount to a continuing breach of the Agreement, a violation of Sections 11(5) and 18(1) of the Act and an unfair trade practice. She further contends that the reduction of the monthly amount from ₹54,000/- to ₹27,000/- for September 2025 is a breach of the Agreement, that the legal notice and later communications prove the default, and that the repeated part payments show that the Respondents accept their liability.

B. Relief(s) Sought:

10. The Complainant accordingly sought the following reliefs:

i. *Direct the Respondents to pay the outstanding balance of ₹27,000/- for September 2025 and continue paying ₹54,000/- per month till September 2026 strictly as per the Agreement of Sale dated 01.01.2025.*

ii. *Award interest @18% per annum on all delayed and deficient payments.*

iii. *In the alternative, direct the Respondents to refund the entire amount of ₹36,00,000/- invested by the Complainant, along with interest @18% per annum from the date of investment till actual refund.*

iv. *Impose penalties and costs for unfair trade practice under Section 61 of the Act.*

v. *Grant compensation for mental agony, harassment, and financial loss.*

vi. *Pass any other order as deemed fit in the interest of justice.*

C. Counter filed by the Respondents

11. The Respondents filed a counter affidavit through their authorised signatory, denying all the allegations in the Complaint. It is submitted by the Respondents that the Complaint is misconceived, premature and not maintainable in law or on facts.

12. It is submitted by the Respondents that the Complainant agreed to purchase 120 sq. ft. of undivided commercial office space in the project "Kapil Business Park", an approved commercial project under development. The Complainant paid a total of ₹36,00,000/-, of which ₹24,64,259/- was towards sale consideration and ₹11,35,741/- was towards Refundable Security Deposit (RSD).

13. According to the Respondents, the RSD was to be refunded in 21 monthly instalments of ₹54,000/- each, along with a small balance amount. They state that they have already refunded ₹6,49,741/- (excluding interest), made up of ₹4,32,000/- (8 instalments), ₹2,16,000/-

(instalments from October 2025 to February 2026) and ₹1,741/- (balance payment). The balance RSD still to be paid is ₹4,86,000/-.

14. It is submitted by the Respondents that the delay in paying some instalments from October 2025 was due to temporary financial constraints and was not wilful. They state that they acted in good faith, that they have also paid interest at 12% per annum on the delayed instalments, and that the Complainant has suppressed the fact that substantial refunds have already been made to her.

15. Without prejudice to the above, the Respondents state that they are willing to refund the balance amount as may be directed by this Authority. They contend that there is no misrepresentation or unfair trade practice on their part, and pray that the Complaint be dismissed or, in the alternative, that suitable directions be given for refund of the balance amount in a just manner.

D. Rejoinder filed by the Complainant

16. The Complainant filed a rejoinder to the counter affidavit, denying all allegations except those specifically admitted. It is submitted by the Complainant that the Respondents are attempting to avoid their liability, though the documents clearly show that she invested ₹36,00,000/- in the project "Kapil Business Park" for allotment of Unit No. T-608/923/VIII, measuring 120 sq. ft. of saleable area on the 8th floor. She adds that the Respondents themselves admit that a part of the amount was treated as RSD, to be repaid in monthly instalments of ₹54,000/-.

17. It is submitted by the Complainant that the Respondents have admitted the delay in payment from October 2025 onwards, giving financial constraints as the reason. According to her, this is a breach of the Agreement dated 01.01.2025, especially Clause 10, and financial difficulty cannot be a defence against contractual and statutory obligations under the Act. She states that the reduction, delay and irregular payment of the instalments amount to unfair conduct and deficiency in service.

18. It is submitted by the Complainant that the project was marketed with advertisements assuring returns of up to 18% per annum and that she invested relying on them. She points out that in their letter dated 31.05.2025 the Respondents themselves admitted that their financial condition had been worsening for 12 to 15 months because of market conditions. According to her, this shows that the Respondents were already in financial difficulty when they accepted

her investment and yet continued to project an attractive and misleading investment scheme, which amounts to misleading representation and unfair trade practice.

19. The Complainant further states that she made a genuine attempt to settle the matter by a legal notice, proposing that the Respondents execute a revised sale agreement for about 360 sq. ft. of commercial space at the market rate of ₹10,000/- per sq. ft. against her investment of ₹36,00,000/-, with rent to commence only after the Occupancy Certificate is obtained and on actual leasing. According to her, the Respondents neither accepted this proposal nor gave any proper reply to it.

20. She relies on Annexure-H, which according to her shows the amounts actually due and paid up to February 2026, and shows repeated delays, part payments and irregular payments. She alleges that the Respondents have lost their credibility and that their repeated default has caused her financial loss and loss of confidence. She also treats the Respondents' statement in the counter, that they have no objection if a refund is directed by this Authority, as an admission of liability.

21. In support of her claim for interest, the Complainant submits that she invested ₹36,00,000/- on the strength of the Respondents' promise of assured returns, including returns of up to 18% per annum, and that interest at that rate is therefore neither excessive nor arbitrary. She also refers to other investment options, including gold, to say that she lost the chance to earn from them because her money remained with the Respondents.

22. The Complainant relies on the judgments in *Pioneer Urban Land & Infrastructure Ltd. v. Govindan Raghavan* (2019) and *Ireo Grace Realtech Pvt. Ltd. v. Abhishek Khanna* (2021), to submit that a promoter cannot impose unfair terms, must honour its commitments, and that allottees are entitled to refund and other relief when the promoter commits a breach.

23. Finally, the Complainant seeks refund of the entire amount of ₹36,00,000/- with interest at 18% per annum from 01.01.2025 till realisation, after adjusting the amounts already paid by the Respondents towards the RSD instalments, along with the amount she says is still short, compensation for unfair conduct, mental agony and litigation costs, and a direction restraining misleading advertisements and requiring full disclosure under the Act.

E. Point for Consideration

24. Upon a careful perusal of the material available on record, including the pleadings and documents filed by both parties, the following question arise for consideration before this Authority:

i. Whether the reliefs sought by the Complainant, which arise out of the Refundable Security Deposit arrangement under the Agreement of Sale dated 01.01.2025, disclose any violation or contravention of the provisions of the Act or the Rules and Regulations made thereunder, so as to make the Complaint maintainable before this Authority under Section 31(1) of the Act?

F. Observations of the Authority

Whether the reliefs sought by the Complainant, which arise out of the Refundable Security Deposit arrangement under the Agreement of Sale dated 01.01.2025, disclose any violation or contravention of the provisions of the Act or the Rules and Regulations made thereunder, so as to make the Complaint maintainable before this Authority under Section 31(1) of the Act?

25. This Authority has heard both parties and gone through the record. The basic facts are not really in dispute. The Agreement of Sale dated 01.01.2025 relates to Unit No. T-608/923/VIII, admeasuring 120 sq. ft., in the project "Kapil Business Park". Of the ₹36,00,000/- paid by the Complainant, ₹24,64,259/- was towards sale consideration and ₹11,35,741/- was towards the Refundable Security Deposit (RSD). The Complainant herself accepts in her rejoinder that a part of her payment was treated as RSD, repayable in monthly instalments of ₹54,000/-. Some of those instalments were paid late, and the September 2025 instalment was paid only in part. The Respondents attribute this to financial constraints.

26. This Authority is a statutory body. Its jurisdiction, powers and functions are derived from, and confined to, the Real Estate (Regulation and Development) Act, 2016 and the Rules and Regulations made thereunder. The right to approach this Authority is conferred by Section 31(1) of the Act, which reads:

> *"Any aggrieved person may file a complaint with the Authority or the adjudicating officer, as the case may be, for any violation or contravention of the provisions of this Act or the rules and regulations made thereunder against any promoter, allottee or real estate agent, as the case may be."*

The question, therefore is not whether the complainant has a grievance. She plainly does. The question is whether her grievance is one of that the Act recognises and that this Authority has the power to redress. An agreement of sale between an allottee and the promoter, does not by itself bring every dispute between them within the jurisdiction of this Authority.

27. When the complaint is read as a whole, it is clear that it is about the monthly payments. Each grievance raised concerned the RSD instalments. These are the delays of a few days in January, April, June, July, and August 2025 and the short payment for September 2025, the Respondents' letter dated 31.05.2025 proposing a change in the repayment plan and the legal notice dated 17.09.2025 demanding regular payment. The first two reliefs seek payment of these instalments with interest. The alternative prayer for refund also comes from the same source. The Complainant wants to withdraw because the monthly payments faltered and she has lost confidence in the Respondents. She does not say the project has stalled or that possession of the unit has been delayed.

28. The nature of the RSD must therefore be examined. Under clause 10 of the Agreement, the Respondents agreed to pay Rs.450 per sq.ft. per month, that is Rs. 54,000/-, up to September 2026. After the Occupancy Certificate and the lease agreements, rent was to be paid at ₹225/- per sq. ft. This payment did not depend on the progress of construction, the completion of the project, or the handing over of the unit. It is not part of the consideration for the unit, and it is not interest for delayed possession. Nor is it a refund to an allottee who withdraws from the project. In substance, the Complainant placed a sum of money with the Respondents, and the Respondents agreed to pay her a fixed monthly amount on it. It is a private financial and commercial arrangement between the parties, placed alongside the sale but separate from it.

29. The Act regulates the obligations of a promoter in relation to the real estate project and the unit sold. These include registration, disclosure, development according to sanctioned plans, timely completion, delivery of possession and conveyance. The Act does not prescribe the terms of a deposit or assured-return arrangement such as the RSD. It also provides no remedy for its non-payment or delayed payment. A default in such an arrangement, however unfair it may seem to the person affected, is not a violation or contravention of the Act, the Rules or the Regulations.

30. The Complainant has alleged violation of Sections 11(5) and 18(1) of the Act. Section 11(5) provides:

> *"(5) The promoter may cancel the allotment only in terms of the agreement for sale: Provided that the allottee may approach the Authority for relief, if he is aggrieved by such cancellation and such cancellation is not in accordance with the terms of the agreement for sale, unilateral and without any sufficient cause."*

31. Section 18(1) of the Act provides:

> *"(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."*

32. Sections 11(5) and 18(1) of the Act neither applies here. Section 11(5) concerns cancellation of an allotment by the promoter. Here the Respondents have cancelled nothing. It was the Complainant who threatened to cancel in her legal notice, and the Agreement still subsists. Section 18(1) applies where the promoter fails to complete the project or is unable to give possession in terms of the agreement for sale. No such failure is pleaded. The judgments relied on by the Complainant, Pioneer Urban Land & Infrastructure Ltd. v. Govindan Raghavan (2019) and Ireo Grace Realtech Pvt. Ltd. v. Abhishek Khanna (2021), dealt with delayed possession and one-sided terms in builder agreements. They do not deal with the question of jurisdiction that arises here.

33. Henceforth, the reliefs relating to the RSD, the monthly payments under Clause 10 and the interest claimed on them are therefore not maintainable before this Authority. However, the Complainant is also an allottee of a unit in a registered project, and the sale of that unit falls within the scope of the Act. She has prayed before this Authority in the alternative in the complaint and also during the oral arguments, for the return of her money, and she has made it clear that she does not wish to continue with the purchase.

34. The complainant submitted that the monthly payments were repeatedly delayed and, at one stage, paid only in part. By their letter dated 31.05.2025, the Respondents told her that their financial condition had been worsening for 12 to 15 months, and they asked her to accept a change in the repayment plan. In their counter, they again admit financial constraints. The sale of the unit and the RSD were part of the same Agreement, and the Complainant entered into the purchase on the strength of both. The Respondents themselves admit that one side of that

arrangement has faltered. In that situation, her loss of confidence in the other side is neither unreasonable nor of her own making. The Respondents have also not opposed a refund. In their counter they have stated that they are willing to refund as directed by this Authority, and they have prayed, in the alternative, for suitable directions for refund in a just manner. No claim for forfeiture or deduction has been made.

35. In these circumstances, it would not be fair to compel an allottee to continue in a project against her will. The unit has not been handed over, and the Occupancy certificate has not been obtained. Once the refund is made, the unit remains with the Respondents to deal with, so, in our view, they suffer no real prejudice. This Authority therefore permits the Complainant to withdraw from the allotment and take back the sale consideration paid for the unit. The sale consideration, as stated by the Respondents and not disputed by the Complainant, is ₹24,64,259/-.

36. However, this is not a refund under section 18(1) of the Act, as no failure to complete the project or to give possession is pleaded or cancellation due to the default of the promoter as per the provisions of the Act. The amounts paid by the Respondents towards the RSD instalments shall not be adjusted against this refund. The refund also does not affect the Complainant's rights regarding the RSD, which she may pursue before the competent forum.

37. The Complainant has asked for penalty under Section 61 of the Act for unfair trade practice. Section 61 presupposes a contravention by the promoter of a provision of the Act, other than Sections 3 and 4, or of the Rules or Regulations. No such contravention has been made out, and the prayer is not granted.

38. The Complainant has also asked for compensation for mental agony, harassment and financial loss. Under Section 71 of the Act, read with Rule 35(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017, claims for compensation fall within the jurisdiction of the Adjudicating Officer. The Complainant is at liberty to approach the Adjudicating Officer by filing a complaint in Form 'N', if so advised. Point No. II is answered accordingly.

G. Directions of the Authority:

39. In view of the findings recorded on Points I and II above, and in exercise of the powers conferred under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, this Authority passes the following order:

i. The Respondents shall refund to the Complainant the sale consideration of ₹24,64,259/- (Rupees Twenty-Four Lakhs Sixty-Four Thousand Two Hundred and Fifty-Nine only) paid by her for Unit No. T-608/923/VIII, without interest, within 60 (sixty) days from the date of receipt of this Order.

ii. On receipt of the refund, the allotment of the said unit stands cancelled

iii. Failure to comply with the above directions by the Respondents shall attract penalty in accordance with Section 63 of the Act.

40. With the above findings and directions, the Complaint stands disposed of. There shall be 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

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY