

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**Date: 18<sup>th</sup> February, 2026**

**Quorum:** **Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson**  
**Sri K. Srinivasa Rao, Hon'ble Member**  
**Sri Laxmi Narayana Jannu, Hon'ble Member**

**COMPLAINT NO. 300/2025/TGRERA & 301/2025/TGRERA**

**1. Shri. Yethi Ramesh**

**2. Shri Yethi Sumanth**

*4<sup>th</sup> Floor, Flat No. #401, Tella Subramaniam Apartments,  
Hig 521-522, 6<sup>th</sup> Phase, Kukkatpally,  
Hyderabad, Telangana- 500072.*

...Complainants

Versus

**M/s Pacifica Construction Pvt. Ltd. represented by its CEO, Mr. Ashish Handa**

*C/o.M/s.Nebula Infraspac LLP*

*Nebula Aavaas Hyderabad, Bollaram Road,*

*Coca-Cola Junction, Ameenpura, Miyapur, Hyderabad-500049.*

...Respondent

The present matter filed by the Complainant mentioned herein-above came up for hearing before this Authority in the presence of the Complainant, and the Respondent's counsel M. Naga Deepak and V. Ravi Kiran. Upon hearing the submissions of all the parties, 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 Respondent.

***A. Brief facts of the Case as per Form M filed by Complainant***

3. It was submitted that Mr. Yethi Sumanth (hereinafter "the Complainant") was the allottee of two separate flats, Flat No. AW2-606 (Case 300/25) and Flat No. AW2-605 (Case 301/25), in the project "AAVAS HYDERABAD" (also promoted as "Nebula Avassa") located at Bachupally, Medchal-Malkajgiri District, registered under RERA Registration No. P02200000223.

4. In the matter of Flat No. AW2-606 (Case 300/25), it was submitted that the flat admeasured 607 sq. ft. and was allotted vide booking form dated 23/12/2016 for a total consideration of ₹20,25,969/- (excluding GST). It was stated that a total of ₹20,13,324/- had been paid in multiple instalments.
5. In the matter of Flat No. AW2-605 (Case 301/25), it was submitted that the flat admeasured 607 sq. ft. and was allotted vide booking form dated 23/12/2016 for a total consideration of ₹21,25,969/- (excluding GST). It was stated that a total of ₹20,61,705/- had been paid in multiple instalments.
6. It was submitted for both complaints that the project commenced in 2018. It was contended that as per the Agreement of Sale (Clause 10), the promoter was obligated to deliver possession of the flat within 60 months, establishing a deadline of 25/01/2024, which had expired.
7. It was stated that despite over seven years having passed and approximately 95% of the total cost being paid, the flats had not been handed over.
8. It was contended that this failure to deliver possession constituted a violation of Section 18 of the Real Estate (Regulation and Development) Act, 2016.
9. It was submitted that the prolonged delay had resulted in a dual financial burden on the Complainant, who was paying both monthly rent and instalments. It was contended that the promoter must be held accountable and directed to compensate the Complainant for the financial and mental hardship.
10. It was further alleged that the promoter was registering and handing over flats to other customers without completing essential services, such as water and electricity, and without obtaining occupancy certificates.
11. It was alleged that the promoter was collecting GST at a rate of 8%, whereas the Complainant contended that the applicable GST rate for affordable housing should be 1%.
12. Finally, it was submitted that as per the Agreement of Sale (Clause 8.a.ii), the promoter was to collect an advance maintenance fee for 24 months at ₹1.25 per sq. ft. (amounting to ₹18,210/-). It was alleged that for Case 300/25 (Flat AW2-606), this charge had been increased to ₹23.60 per sq. ft. without notice, and for Case 301/25 (Flat AW2-605), it had been increased to ₹13.60 per sq. ft. without notice.

## **B. Reliefs Sought**

13. Accordingly, the Complainants sought the following reliefs:

- i. *Please direct the promoter to register and hand over the possession of our flat immediately with an occupancy certificate.*
- ii. *Please direct the promoter to waive off all of the late fee charges imposed in the cost sheet prior to the official flat allocation.*
- iii. *Please direct the promoter to compensate me for the financial loss due to delay in the project as mentioned in AFS and for the mental agony which is tolerated for 7 years.*
- iv. *Please direct the promoter to bind the agreement of sale, with respect to the maintenance charges mentioned.*
- v. *Please update the GST authority for unfair collection of excess GST from the allottees and direct the promoter to refund the excess percentage collected along with the interest.*

## **C. Counter filed by the Respondents**

14. It was affirmed by Vikram Daitha, the authorized signatory of the Respondent, who stated that he was well acquainted with the facts of the cases and swore to the contents of the present affidavits.

15. At the outset, it was submitted that the present complaints were not maintainable either in facts or in law and were only vexatious and frivolous litigation to harass the Respondent herein.

16. It was respectfully submitted that the present complaints had been filed with the following prayers: i. To direct the Promoter to register and handover possession of the Flats Immediately ii. To direct the promoter to waive off all the late fee charges. iii. Direct the promoter to compensate for the financial loss due to delay in the project. iv. Direct promoter to bind the agreement of sale and maintenance charges as mentioned. v. Recommend the GST Authority for unfair collection of excess GST.

17. In relation to the first prayer, it was respectfully submitted that the Complainants were offered to clear the existing dues and proceed for registration right from the month of April 2025. It was stated that the authorized representative of the Respondent had appeared before the Hon'ble Authority and conveyed the willingness to register the sale deeds, subject to

payment of all amounts due as agreed by the Complainants themselves. The Respondent reiterated its readiness to register the sale deeds and handover possession even today, subject to the payment of all amounts due.

18. It was further submitted that the entire project was complete, and an application for an occupancy certificate had been submitted to the Competent Authority and was under process. It was contended that the project could not be stated as incomplete, and in fact, the clubhouse and common areas were also complete. It was added that the Respondent was ready to rectify any defects pointed out in the complainants' units and that the only reason for non-registration was the delay in the Complainants making the payments.

19. In so far as the second prayer regarding late payment charges, it was submitted that the Complainants could not now seek a waiver, as it ought to be appreciated that the Complainants had paid the down payment and thereafter every payment had been delayed. Reliance was placed on an Order passed by the Ld. Karnataka Real Estate Regulatory Authority (Complaint No. CMP/201230/0007353).

20. Regarding the third prayer for compensation, it was respectfully submitted that the agreement of sale was executed, wherein the complainants had agreed to a handover of possession after a period of 60 months from the date of execution. It was submitted that in view of the COVID-19 pandemic, the Hon'ble authority had extended the timeline for completion. It was stated that the Respondent had registered the project Aavas Hyderabad (No. P02200000223), which was valid up to 31-12-2024, and a further extension of 6 months ending 30-06-2025 was granted. Therefore, it was contended that the question of delay did not arise, much less the payment of compensation for such non-existent delay.

21. Regarding the fourth prayer concerning maintenance charges, it was stated that while it was true the agreement specified Rs. 1.25 per sft, this price was agreed upon in 2019 based on 2016 charges. It was submitted that prices had subsequently risen, entitling the Developer to enhance the charges. It was argued that the Agreement for sale specifically stated charges would be fixed on an estimate basis, with actual costs collected subsequently. Therefore, as actual costs had gone up, the Respondent was charging Rs. 3.6 per sft, and there was no illegality.

22. Regarding the fifth prayer concerning GST, it was submitted that the applicable rate for affordable projects was 8% with input tax credit. A new mandatory rate of 1% (without input tax credit) was prescribed vide Notification No 03/2019 for projects commencing on or after 1st April 2019. It was stated that the notification provided builders of ongoing projects, which

this was, an option to continue with the 8% rate or opt for the 1% rate and reverse input tax credit. It was submitted that opting for the 1% rate would necessitate increasing unit prices, so the Respondent decided to continue with the 8% rate to maintain the same contractual consideration, passing on the benefit of input tax to the allottees. It was also noted that sales started prior to the implementation of the 1% GST regime.

23. In the para-wise response to the facts of the case, It was stated as true to the extent that the Complainants in Case No. 300/25 had booked Flat No. AW2-606, with allocation done on 05-02-2017, and had agreed to delivery within 60 months from 17-05-2019 (the date of the agreement of sale). It was stated as true that this Complainant had paid Rs. 21,84,668/-. It was stated as true to the extent that the Complainants in Case No. 301/25 had booked Flat No. AW2-605, with allocation done on 05-02-2017, and had agreed to delivery within 60 months from 17-05-2019 (the date of the agreement of sale). It was stated as true that this Complainant had paid Rs. 22,92,699/-. For both cases, it was argued that the execution of the agreement of sale superseded any previous agreements, and that the balance sale consideration had to be paid, upon which the Respondent would execute the sale deed. It was specifically denied that the Respondent was not delivering or registering the flats; it was submitted that the Complainants themselves acknowledged the construction was complete and an occupancy certificate was awaited. It was reiterated that the Respondent was ready to execute the sale deeds subject to clearance of all dues. It was stated as true that the project was promoted under the brand name Nebula, which facilitates marketing and booking activities for the Respondent, and there was no illegality in this. The allegation that this was misleading was stated as incorrect and denied. The allegation that the applicable GST was 1% was stated as incorrect and denied; it was reiterated that the applicable GST was 8%.

24. Therefore, in view of the above, it was humbly prayed that the authority be pleased to dismiss the present complaint.

***D. Rejoinder filed by the Complainants***

25. It was affirmed by Yethi Sumanth, the Complainant herein, who stated that he was fully conversant with the facts and circumstances of the case and had perused the Counter-Affidavit filed by the Respondent.

26. It was submitted that the contents of the Respondent's Counter-Affidavit, except for what was expressly admitted, were categorically denied as being contrary to the facts on record. The preliminary objection raised by the Respondent that the present complaint was "vexatious

and frivolous" was stated as not only baseless but as a calculated attempt to evade their fundamental contractual and statutory obligations under the Act.

27. Regarding the Respondent's assertion that they were willing to register the flat subject to clearance of dues, it was submitted that this contention was false and misleading. It was stated that the Complainant had already paid 100% of the sale consideration including all charges demanded, and there was no outstanding amount or late payment history. Despite this, it was submitted, the Respondent had failed to hand over the flat in a habitable and liveable condition with essential amenities such as electricity, water supply, and other basic facilities. It was claimed that more than 100 registered flat owners were still struggling to obtain peaceful possession of their respective units in a liveable condition.

28. The Respondent's demand for maintenance charges without handing over possession was described as unjust and illegal, amounting to a deficiency in service and unfair trade practice. It was also noted that although the Respondent claimed to have applied for an Occupancy Certificate (OC), the OC was only received recently on 14.09.2025 from HMDA, raising serious concerns as to how it was issued when flats were still not in a liveable condition.

29. A prayer was made that the Respondent be directed to hand over possession in a liveable condition before demanding maintenance charges and not to consider any maintenance charges prior to actual handover. Reference was made to a final payment cost sheet from the builder mentioning "ZERO" dues and emails from other registered flat owners regarding post-registration issues.

30. Regarding the Respondent's reliance on the 60-month clause in the Agreement for Sale dated 25.10.2018, it was submitted that this was a gross misrepresentation. It was stated that the agreed 60 months expired on 25.10.2023, and the Respondent was clearly in delay thereafter. It was acknowledged that RERA granted a *force majeure* extension due to COVID-19 (up to 30.06.2025), but it was argued that this extension was in favour of the builder and could not be stretched to deny compensation to the allottee. It was submitted that in line with Section 18 of the RERA Act, 2016, the Complainant was entitled to interest for the period of delay from January 2024 until the date of actual handover of the flat in habitable condition. It was therefore respectfully submitted that the Respondent was liable to compensate for the said delay by paying interest on the amounts already paid. Reference was made to a builder commitment document (Form B) to deliver/complete the project by December 2023.

31. Regarding the increase in maintenance charges, it was submitted that as per the Agreement for Sale, the agreed rate was ₹1.25 per sq. ft. It was argued that any unilateral increase to ₹3.50 per sq. ft. without the consent of allottees or a registered maintenance agreement was illegal and void. It was further submitted that since possession had not yet been lawfully handed over and the project had exceeded the contractual completion timeline, the Complainant was not liable to pay escalated charges and the Respondent was bound by the contractually agreed rate.

32. Regarding the GST collection, it was submitted that the Respondent's justification for levying 8% GST was untenable. It was claimed the project was marketed as an "affordable housing" project, for which the applicable rate of GST was 1% under the relevant notification. It was argued that the Respondent's unilateral decision to opt for the 8% regime, without consent or consultation with the Complainants, amounted to an unfair trade practice and misrepresentation. It was contended that the fact that the Respondent claimed to have remitted GST to the Government did not absolve them from their liability to correctly charge and refund the excess GST unlawfully collected. Accordingly, it was submitted that the Complainant was entitled to a refund of the excess GST collected, along with interest.

#### ***E. Points for Consideration***

33. After considering the facts stated and submissions made by both parties, the following question arises before this Authority:

I. Whether the Complainants are entitled to the reliefs sought? If so, to what extent?

#### ***F. Observations of the Authority***

##### **Reliefs (i) and (ii)**

34. Before determining Relief No. (i), which pertains to the registration and handover of the flats, this Authority finds it necessary to first examine the issue raised under Relief No. (ii) relating to the late payment charges reflected in the Respondent's cost sheets. This is because the determination of such charges directly impacts the final settlement of dues, which in turn forms the basis for the execution and registration of the Sale Deed. Unless the legitimacy and correctness of these charges is adjudicated, the Complainants cannot be expected to clear the alleged dues, and the registration process under Section 17 of the RE (R & D) Act, 2016 cannot proceed in a fair and transparent manner.

35. With regard to the second relief, the Complainants have contended that the late payment charges demanded by the Respondent are arbitrary, excessive, and unsupported by a transparent computation. It is the case of the Complainants that they have already paid a substantial portion of the sale consideration, amounting to approximately 95% of the total cost, and that the Respondent has failed to furnish a clear, itemised, and intelligible Statement of Accounts explaining the basis, period, and calculation of the alleged late payment charges. The Complainants have further contended that in the absence of possession being handed over in a habitable condition and without an Occupancy Certificate for a substantial period, the levy of penal charges is unjustified.

36. The Respondent, on the other hand, has contended that the Complainants were irregular in making payments after the initial down payment and that late payment charges were levied strictly in accordance with the terms of the Agreement for Sale. It was submitted that the Respondent is contractually entitled to levy such charges and that the same have been duly reflected in the cost sheets issued to the Complainants.

37. Upon a careful examination of the pleadings and material placed on record, this Authority observes that while the Agreement for Sale does provide for the levy of late payment charges in the event of delayed instalments, such levy must necessarily be supported by a clear, itemised, and transparent Statement of Accounts, indicating the specific instalments delayed, the period of delay, the applicable rate, and the manner of computation. In the present case, the Respondent has failed to place on record any such detailed and intelligible statement explaining the exact basis on which the late payment charges have been computed.

38. This Authority further observes that the Complainants have consistently raised concerns regarding the non-handover of possession in a habitable condition and the absence of an Occupancy Certificate for a considerable period. In such circumstances, the unilateral levy of penal charges, without first placing the Complainants in a position to verify and reconcile the alleged dues, cannot be sustained.

39. Accordingly, this Authority holds that the Respondent is not entitled to insist upon payment of late payment charges without first furnishing a clear, itemised, and revised Statement of Accounts strictly in accordance with the Agreement for Sale and the actual payment history of the Complainants.

40. Consequently, this Authority directs that the calculation of the amounts due and payable by the Complainants shall be reworked by the Respondent and a revised Statement of Accounts

shall be issued, clearly specifying only those late payment charges, if any, that are lawfully leviable in accordance with the Agreement for Sale and supported by proper computation.

41. This Authority now proceeds to consider Relief No. (i) concerning registration and handover of possession of the flats. In this regard, the Respondent has asserted that the project “AAVAS HYDERABAD” is complete and that the Occupancy Certificate has been applied for and/or obtained. It has further been contended that the Respondent is ready and willing to execute and register the sale deeds subject to clearance of the alleged dues.

42. Section 17 of the Real Estate (Regulation and Development) Act, 2016 mandates that the promoter shall execute a registered conveyance deed in favour of the allottee and hand over possession. It is reproduced here for reference:

*17. Transfer of title.—(1) The promoter shall execute a registered conveyance deed in favour of the allottee along with the undivided proportionate title in the common areas to the association of the allottees or the competent authority, as the case may be, and hand over the physical possession of the plot, apartment of building, as the case may be, to the allottees and the common areas to the association of the allottees or the competent authority, as the case may be, in a real estate project, and the other title documents pertaining thereto within specified period as per sanctioned plans as provided under the local laws: Provided that, in the absence of any local law, conveyance deed in favour of the allottee or the association of the allottees or the competent authority, as the case may be, under this section shall be carried out by the promoter within three months from date of issue of occupancy certificate.*

*(2) After obtaining the occupancy certificate and handing over physical possession to the allottees in terms of sub-section (1), it shall be the responsibility of the promoter to handover the necessary documents and plans, including common areas, to the association of the allottees or the competent authority, as the case may be, as per the local laws: Provided that, in the absence of any local law, the promoter shall handover the necessary documents and plans, including common areas, to the association of the allottees or the competent authority, as the case may be, within thirty days after obtaining the completion certificate.*

43. Thus, once the Occupancy Certificate is obtained, the Respondent is statutorily bound to proceed with the execution and registration of the sale deeds and cannot withhold the same on the basis of disputed or unsubstantiated claims.

44. Accordingly, this Authority directs the Respondent to furnish to the Complainants a clear, itemised, and revised Statement of Accounts in respect of Flat No. AW2-606 (Case No. 300/25) and Flat No. AW2-605 (Case No. 301/25), strictly in accordance with the Agreement for Sale and the findings recorded hereinabove, indicating only the legitimate dues payable by the Complainants.

45. Upon receipt of such revised Statement of Accounts, the Complainants shall clear the legitimate dues, if any, within the time stipulated therein. Upon such clearance, the Respondent shall proceed to execute and register the sale deeds in respect of Flat Nos. AW2-606 and AW2-605 in favour of the Complainants, in accordance with Section 17 of the RE (R & D) Act, 2016, and hand over possession in accordance with the law.

**Relief (iii)**

46. Moving on to the third relief sought by the Complainants, namely the claim for compensation for the alleged financial loss and mental agony suffered by the Complainants due to the delay in completion and delivery of the flat, this Authority finds it necessary to clarify the statutory scheme governing adjudication of such claims under the Real Estate (Regulation and Development) Act, 2016.

47. Under the framework of the RE (R&D) Act, 2016, a clear distinction is drawn between the jurisdiction of the Regulatory Authority and that of the Adjudicating Officer. While this Authority is empowered to regulate, enforce obligations of promoters, and issue directions under Sections 37 and 38 of the RE (R&D) Act, 2016, claims relating to compensation or monetary damages fall exclusively within the domain of the Adjudicating Officer appointed under Section 71 of the RE (R&D) Act, 2016.

**Relief (iv)**

48. With regard to the issue of maintenance charges, this Authority notes that the Agreement of Sale between the parties was entered into in the year 2018. It is an admitted position that more than six years have elapsed since the execution of the said Agreement. During this period, there has been a substantial increase in the cost of goods, services, manpower, utilities, and other inputs required for the upkeep and maintenance of a residential apartment complex.

49. This Authority takes notice of the fact that inflationary pressures over a prolonged period inevitably result in the escalation of maintenance-related expenses. In such

circumstances, a rigid insistence on the maintenance charges stipulated at the time of execution of the Agreement of Sale, without accounting for the passage of time and actual operational costs, would be impractical. Accordingly, this Authority is of the view that the Respondent is justified in revising the maintenance charges to ₹3.6 per square foot, considering the lapse of time and increase in maintenance costs.

50. At the same time, it is the view of the Authority that the determination of maintenance charges must eventually reflect the collective will of the allottees and the actual cost incurred for maintaining common areas and facilities. The promoter cannot unilaterally fix or continue to revise maintenance charges.

51. Therefore, while upholding the revision of maintenance charges at this stage, this Authority directs the Respondent to convene a General Meeting of the Association of Allottees, within a reasonable time, for the purpose of placing before them the maintenance requirements and arriving at a consensus regarding the maintenance charges to be levied henceforth. Upon such determination by the Association, the maintenance charges shall be governed accordingly.

#### **Relief (v)**

52. With respect to the fifth relief sought namely, the allegation that the Respondent has unfairly collected GST at 8% instead of the concessional 1% applicable to affordable housing, and the corresponding prayer to recommend action against the Respondent, this Authority deems it necessary to delineate the scope of its jurisdiction under the Real Estate (Regulation and Development) Act, 2016.

53. The issue raised by the Complainants pertains entirely to the applicability of the correct rate of Goods and Services Tax (GST) and whether the Respondent has lawfully discharged its obligations under the GST statutory framework. The assessment of tax liability, correctness of tax rates applied, classification of the project under GST, and any alleged excess or improper collection of GST fall exclusively within the domain of the GST authorities, constituted under the Central Goods and Services Tax Act, 2017.

54. Accordingly, this Authority has no jurisdiction to adjudicate whether GST has been wrongly collected or to issue recommendations or directions to the GST Department on such matters. Any grievance regarding the rate charged, excess collection, or misclassification must be raised before the appropriate GST authority in accordance with the procedures laid down under the GST laws.

55. Hence, the Complainants are directed to approach the competent authority within the GST Department for redressal of their grievance, if they are so advised. No further orders are required on this issue.

***G. Directions of the Authority***

56. In light of the discussions and findings made hereinabove, this Authority, vide its powers under Sections 37 and 38, issues the following directions to the Respondent:

- i. The Respondent is directed to rework and revise the Statement of Accounts in respect of Flat No. AW2-606 (Case No. 300/25) and Flat No. AW2-605 (Case No. 301/25) by excluding all unjustified and unsupported late payment charges and by computing late payment charges, if any, only with reference to actual defaults, if any, committed by the Complainants themselves, strictly in accordance with the terms of the respective Agreements for Sale, and the same shall be furnished to the Complainants.
- ii. The Complainants are directed to clear the legitimate dues, if any, reflected in the revised Statement of Accounts, and upon such clearance, the Respondent shall proceed to execute and register the sale deeds in respect of Flat No. AW2-606 and Flat No. AW2-605 in favour of the Complainants, in accordance with Section 17 of the Real Estate (Regulation and Development) Act, 2016, and hand over possession in accordance with law.
- iii. The Respondent is directed to convene a General Meeting of the Association of Allottees, within thirty (30) days from the date of this Order, for the purpose of determining the maintenance charges henceforth, as the project stands complete. The maintenance charges shall thereafter be governed in accordance with the decision taken by the Association.
- iv. Failing to comply with the above-said directions by the parties shall attract penal action in accordance with Section 63 of the RE (R & D) Act, 2016.

57. In view of the above, the present complaint is disposed of. 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**