TELANGANA REAL ESTATE APPELLATE TRIBUNAL: HYDERABAD

Krishna Block, First Floor, Dr. MCR HRDI Campus, Road No.25, MP & MLA's colony, Jubilee Hills, Hyderabad-500 033.

CORAM: Hon'ble Sri Justice A. Santhosh Reddy, Chairperson.
Hon'ble Sri P. Pradeep Kumar Reddy, Judicial Member.

T.A.No. 45 of 2025

Between:

M/s Mehta & Modi Realty Kowkur LLP
represented by its designated partner
Anand S.Mehta, Office at D.No.5-4-187/3&4,
II floor, Soham Mansion, M.G.Road,
Secunderabad- 500003.

...Appellant/Promoter

AND

1. Mrs.Deepa Suraj Premi, R/o B-512, Greenwood Heights, Histop Road, near ARK Majestic Kowkur, Bolarum, Medchal-Malkajgiri – 500010.

2. Suraj Premi, R/o B-512, Greenwood Heights, Histop Road, near ARK Majestic Kowkur, Bolarum, Medchal-Malkajgiri – 500010.

…Respondents/Complainants

Counsel for Appellant : Mr.D.Pavan Kumar

Respondents : Parties-in-person

Date of Decision : 06.05.2026

ORDER:: *(Per Hon'ble Sri Justice A. Santhosh Reddy)*

This appeal is directed against the Order, dated 23.06.2025, passed by the Telangana State Real Estate Regulatory Authority (hereinafter referred to as 'the Regulatory Authority'), in Complaint No. 157 of 2024, whereby the Regulatory Authority disposed of the complaint filed by the respondents/complainants herein with the following directions:

i. "The appellant/promoter is directed to pay a penalty of ₹10,99,992/- for contravention of Section 60 of the Real Estate (Regulation and Development) Act, 2016, (for brevity 'the Act') on account of having furnished false information and made misrepresentations under the Form B affidavit, as well as for executing an agreement of sale different from the one uploaded on the webpage of the Telangana Real Estate Regulatory Authority (TG RERA). The said penalty shall be paid within thirty (30) days from the date of this Order, in favour of TG RERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036;

ii. It is clarified that, in accordance with Clause 7.2 of the agreement of sale as prescribed under Rule 38 and Annexure 'A' of the Telangana State Real Estate (Regulation and Development) Rules, 2017, (for short 'the Rules'), the

Complainants shall be liable to pay maintenance charges as soon as the unit is completed;

iii. The appellant is further directed to complete all remaining final works pertaining to the subject unit/project and hand over physical possession to the complainants.

iv. In view of the directive issued by the Hon'ble High Court in W.P.No.3319 of 2013, the appellant is directed to dissolve the previously constituted association and initiate the formation of a new association strictly in accordance with the provisions of the Telangana Cooperative Societies Act, 1964;

v. The appellant is also directed to refrain from collecting Goods and Services Tax (GST) on interest amounts levied on delayed payments. It is clarified that GST is applicable only on the total sale consideration whether paid in lump sum or in agreed instalments between the parties, and not on interest charged due to delay in payment.

Parties are hereby informed that non-adherence to the directions of the Authority shall attract penalties under Sections 63 & 68 of the Act, 2016".

2. The case of the respondents/complainants, in brief, as per the complaint, is that appellant/promoter had executed the sale deed in favour of the complainants on 04.04.2024, vide Document No. 2282/2024, of the flat bearing No.B-512 in Greenwood Heights. Upon request of

possession, complainants were asked to join as a member of the "Greenwood Welfare Association" with a condition in the form that they have to agree to pay the maintenance charges with effect from March 2023 till March 2024. It is stated that the appellant has intimated the complainants that they would be issued a post-dated letter of possession for which, they are required to sign on a letter of confirmation, which contains a clause, asking complainants to confirm that the said flat has been duly inspected by them and is completed in all respects. Further, complainants are also required to issue a No objection certificate. Within two weeks from the date of signing of all the documents, it was promised that the appellant will complete the remaining pending works such as sanitary fittings, painting etc., The appellant has formed an Association by the name "Greenwood Welfare Association" and registered the same under the Telangana Societies Registration Act on 16.11.2021, with registration No.687/2021, when none of the flats were complete and the registrations and possession of the units were done after February 2023 only as per their intimation letter. Further, the aims and objects as per the memorandum of the association refers to promotion of cultural, charitable, social, sporting etc. Nowhere in the objects, does it contain any clause that the association is an owner's association and is exclusive for

the owners of the flats and is for the maintenance of the project "Greenwood Heights". That the appellant has collected Rs.31,000/- towards Manjeera Water charges from the complainants, which is unfair trade practice and needs to be refunded as the provision of amenities relating to water facilities are the basic requirement of any project. Even if the amount is paid as per the requirement of the water board, the cost of the same shall form part of the sale consideration. It is further stated that when the complainants gave their acceptance for taking possession of the flat after execution of the sale deed, they were informed that they have to pay interest on delayed payment of instalments which has been calculated at 18% as per the clause 9.1 of the sale agreement within 30 days i.e., by 25.10.2019 from the date of booking. Although, there was no activity happening at the project site, the statement shared with the complainants claims instalments during the covid-19 pandemic lockdown period also. Further, the amount of GST payable was never notified to the complainants and in the statement, the appellant has computed interest on GST amount also. Even till today, the sanitary fittings and painting and finishing works remain incomplete, however still a demand for final instalment was made and also included in the interest statement shared and interest was also calculated on the same.

The sale agreement submitted with RERA at the time of project registration and the format which is actually executed by the appellant is totally devoid of many clauses. In fact, the actual sale agreement contains many clauses which are absent and does not form part of the Sale agreement format submitted to the Regulatory Authority. The project has not yet received its occupancy certificate, which signifies that the project is not yet fully completed. The maintenance charges being levied for the period even before possession and registration is not justified and the demand for the same is incorrect and not tenable. It is further stated that the TDS amount was deducted and remitted to the Government account and the interest on the same was also calculated as an outstanding amount, which is illogical and incorrect. Further, as per Rule 15 of the Rules, 2017, the interest rate applicable to the RERA registered projects is SBI rate plus two percent as applicable for the relevant period and not the rate of 18% as calculated and claimed by the appellant. That even till today the project remains incomplete and the flat is not yet complete in all respects. However, in spite of delay of more than 2 years from the date of completion, still the appellant vehemently demands interest which is unfair. The swimming pool promised in their brochures and the actual reality are highly short of the expectations that the plan of the scheduled

flat as agreed as per the Sale agreement has been modified without the consent of the complainants and the actual plan as per the sale deed has been changed for the utility area. The practices followed by the appellant are deceptive and inherently misleading. Therefore, the complainants sought for the following reliefs:

> i. To complete the entire project with all amenities at the earliest and apply for the occupancy certificate.
> ii. The complainants prayed for peaceful possession of the flat with all sanitary fittings to be given to us at the earliest.
> iii. The flat is not yet complete in all aspects and physical possession is not yet given/taken over, as such it is prayed that the maintenance charges be levied from the date of actual possession only.
> iv. Refund of the arbitrarily collected amount of Rs.31,000 towards Manjeera Water Charges.
> v. The project is delayed beyond two years and still neither the project is complete nor the flat is complete in all aspects i.e., sanitary fittings etc. Further, the interest calculation is done incorrectly, as such the complainants prayed that the illegal demand of interest to be quashed.

3. Appellant/promoter filed a Counter, inter alia, contending that the maintenance charges were agreed to be paid by the complainants under clause No.11.4 of the agreement and also in the sale deed. As per the

agreements and documents, flat/house owners are liable to pay maintenance charges to the association or to the builder until its formation towards common amenities like electricity, security, and water, regardless of occupancy status. These charges are accountable to the owner's association and the same is not for the benefit of the appellant. Though the house/flat was completed, which was informed to the complainants, they delayed for registration and taking possession, but that does not absolve them to pay the maintenance from the date of intimation. That the Association was registered on 16.11.2021, vide Registration No.687/2021, under Telangana Societies Registration Act for maintenance of the "Greenwood Heights" & the objects of the Association can be changed by the regular Association after taking charge of it.

4. It was further stated by the appellant/promoter that Manjeera Water connection charges for issue of water connection are for all flat members which was mentioned in the agreement of sale at clause 6.4. The said clause also specified that the taxes like Municipal water tax etc., are liable to pay by the purchaser from the date of possession offered to him. The water charges are paid to the concerned water works board and the appellant has nothing to do with it. The complainants had signed the booking form, wherein it was clearly mentioned the schedule of payments

and in case of any delay, they agreed to pay interest on delayed payments. Further, in the sale agreement also it was mentioned that in case of delay in payments, they are liable to pay the interest. With regard to the interest on GST payments, as per the work progress and GST payment, the complainants are liable to pay the same, as they failed to do the same, they are liable to pay interest as per the contracts entered by them. Further the complainants from the beginning did not pay the instalments as per the schedule mentioned in the booking form. Even though the cancellation letter was issued, the complainants did not pay the instalments within the time. That even though the covid-19 is obstructing the construction work, the appellant has completed the flat/house within specified time and intimated the complainants to take the possession of the house. Even the complainants delayed in intimating the modification/alteration in the flat, alleging due to covid etc. Even that the complainants were due to a sum of Rs.5 lakhs. Further, considering the covid-19 situation, the appellant had given several concessions and also benefits to the complainants. That the copy of the agreement submitted by the appellant contains clauses wherein the rights of both parties are identical, along with standard provisions outlining the respective rights and liabilities of each party in clear terms. It was further stated that the flat was completed

prior to December, 2022 except final touch ups and in the months of November and December, 2022, the complainant sought for additional works and facilities and the same were also completed. When possession was offered to the complainants in December, 2021, they did not respond to the same and also not paid the balance amount with penalty for the delay payments. It was further stated that as per the agreement, the complainants have to sign the required documents, including the NOC etc. and take formal letter of possession of the property. Therefore, the, appellant/promoter prayed to dismiss the complaint with exemplary costs.

5. The complainants filed a rejoinder to the counter filed by the appellant/promoter, *inter alia*, contending that as per the contention of the appellant, Clause 11.4 of the agreement of sale provides them authority to collect monthly maintenance from the purchaser from the date of intimation of possession. But it is a fact that the project is not yet completed in all aspects and even till today occupancy certificate is not yet received. Further, para 11.4 does not conform to para 7.2 of the draft agreement submitted to the RERA, which clearly defines the procedure for taking possession and as such the contention of the appellant is not justifiable. Further, the contention that charges are payable to the owner's

association and the same are not for the benefit of the appellant is not correct as the association of allottees was formed in violation of para 19 of the draft agreement filed with the Regulatory Authority where neither the occupancy certificate for the project is received nor the minimum total allottees criteria is fulfilled. The appellant formed an association in 2021 much before the completion of project, which mainly consists of employees of is company. The Interest amount was intimated to the complainants only after they completed the registration process, which signifies that all the payments have been duly made. It was further stated that as per Para 1.11 of the draft agreement filed before the Authority, interest is payable at the rates prescribed in the rules. Further, Rule 15 also specifies the rate of interest for delayed payments. The complainants further stated that they paid the entire sale consideration along with GST and charges and the sale deed was executed on 04.04.2024.

6. After hearing the learned Counsel for the appellant/promoter and the complainants and perusing the entire material available on record, the learned Regulatory Authority, vide impugned order, dated 23.06.2025, disposed of the complaint filed by the respondents/complainants.

7. Aggrieved by the aforesaid order of the learned Regulatory Authority, dated 23.06.2025, the appellant/promoter filed the present appeal.

8. Learned Counsel appearing for the appellant/promoter submitted that the learned Regulatory Authority has erred in holding that the agreement for sale executed between the appellant/promoter and the respondents/complainants is not in compliance with Rule 38 of the Telangana State Real Estate (Regulation and Development) Rules, 2017 (for brevity 'the Rules') merely on account of deviations from the model format. Further, the Regulatory Authority had failed to appreciate that the agreement for sale executed in the present case contains all statutory safeguards and does not dilute any of the rights of the allottees under the Act. There is no modification made without consent of the parties and the complainants have verified the said agreement and sale deed before its execution.

9. Learned Counsel further submitted that the learned Regulatory Authority has erred in imposing a penalty of Rs.10,99,992/- upon the appellant under Section 60 of the Act for alleged furnishing of incorrect information in Form-B affidavit and for executing an agreement for sale allegedly not in conformity with Rule 38 of the Rules. The said penalty is

wholly arbitrary, excessive and disproportionate, particularly when no mala fide intent, misrepresentation or prejudice to the complainants has either been pleaded or proved.

10. Learned Counsel for the appellant further submitted that the learned Regulatory Authority has erred in granting reliefs to the complainants in relation to maintenance charges by disregarding Clause 11.4 of the duly executed agreement for sale, which clearly stipulates that maintenance charges shall be payable from the date of intimation of possession or completion, whichever is earlier. However, the Regulatory Authority applied Clause 7.2 of the model from in abstract, ignoring the binding contractual framework and Section 19 (6) of the Act, which allows such charges to be levied in the manner and within the time as specified in the agreement for sale and that this constitutes an impermissible rewriting of terms agreed by the parties. He has further submitted that the Hon'ble Supreme Court has consistently held that Courts or Tribunals cannot rewrite or create new contracts under the guise of interpretation and they must simply apply the terms and conditions of the agreement as agreed. He has further submitted that the complainants were responsible for the delay by not providing necessary inputs and materials within the stipulated time despite repeated communication, however, the Authority

has ignored the material aspect and has erroneously fastened liability upon the appellant alone.

11. Learned Counsel for the appellant further submitted that the learned Regulatory Authority has exceeded is jurisdiction in directing the dissolution of Greenwood Heights Welfare Association and in mandating that a new association be formed strictly under the Telangana Cooperative Societies' Act, 1964. Further, the Regulatory Authority has relied upon a judgment, which has been set aside by the Hon'ble High Court in ***Nitish Reddy Vs. State of Telangana***[1] and pursuant thereto, the State Government has issued a Circular Memo dated 21.08.2023 permitting registration of Resident Welfare Association under the Telangana Societies Registration Act, 2001, under which the Greenwood Heights Welfare Association has been duly registered. The validity of the said Circular Memo is sub judice before the Hon'ble High Court and, therefore, the direction to dissolve the existing association is wholly unsustainable and liable to be set aside. He has further submitted that the direction issued by the Authority restraining the appellant from collecting GST on the interest levied on delayed payments is wholly without statutory basis. Thus, the Regulatory Authority has travelled beyond its

[1] 2021 SCC Online TS 1614

jurisdiction issuing directions pertaining to indirect tax liability, which falls exclusively within the domain of the competent tax authorities. Therefore, it is prayed that the appeal may be allowed by setting aside the impugned order of the Regulatory Authority.

11. On the other hand, learned Counsel for the respondents/complainants submitted that having executed an agreement different from the one uploaded, the appellant cannot now claim the benefit of specific clause i.e., clause 11.4 regarding maintenance charges from that executed agreement, while simultaneously arguing that strict compliance with the format is not required. The learned Regulatory Authority has lawfully exercised its statutory power under Section 60 read with Section 59 of the Act to levy penalty of Rs.10,99,992/- on the appellant for multiple violations viz., Rule 38 format, misrepresentation under Section 59, misleading information under Section 60 of the Act and also executing an agreement different from the one uploaded under Section 13 of the Act. He has further submitted that Clause 7.2 of Rule 38 of the Rules is a statutory provision, which states that the allottee shall be liable to pay the cost of maintenance and upkeep of the said apartment/plot after taking over possession and as such the appellant cannot override the said statutory mandate through a contractual Clause

11.4 in an invalidly executed agreement that differs from the uploaded draft agreement.

12. Learned Counsel for the respondents further submitted that the so-called Greenwood Welfare Association is a fraudulent and illegal entity created by the appellant to maintain perpetual control over the apartment complex and to extract maintenance charges from the allottees illegally and as such the Regulatory Authority has rightly directed dissolution of the said association. In support of the said contention, he placed on record the Memorandum of Association, Bye-laws, rules and regulations, which conclusively establish the fraudulent nature of the said association. Further, the association has formed in the month of November 2021 when not even a single flat was registered or occupied. He has further submitted that the Government Circular Memo No.8815/2023 relied on by the appellant cannot override the decision of the Hon'ble Supreme Court in ***Maharajadhiraja Sir Kameshwar Singh vs. The State of Bihar***[2], wherein it was defined 'public purpose' as 'general interest of community at large'. He has further submitted that the learned Regulatory Authority has correctly held that the GST applicable only on sale consideration, not on interest amounts and interest cannot be charged on TDS amounts.

[2] AIR 1952 SC 252

Therefore, it is prayed that the appeal filed by the appellant/promoter is liable to be dismissed with exemplary costs.

13. We have heard the learned Counsel appearing on either side and have gone through the entire material placed on record along with written arguments filed by them.

14. The point that arises for consideration in this appeal is as under:

"Whether the impugned order, dated 23.06.2025, passed by the learned Regulatory Authority is sustainable in law?

POINT::

15. Admittedly, the respondents/complainants had booked a Flat bearing No.B-512 on 5th floor in Block No.'B' admeasuring 1715 sq. ft. of super built-up area (including common area) together with proportionate undivided share of land to an extent of 72.72 square yards with single car parking space in the residential complex named as Greenwood Heights project of the appellant/promoter in Sy.No.196, Kowkur village, Malkajgiri Mandal, Medchal-Malkajgiri District, for a total sale consideration of Rs.62,33,000/- and a paid a sum of Rs.25,000/- vide cheque No.770033 on 25.10.2019 as advance amount and that they have entered into a sale agreement on 11.11.2019. It is also an admitted fact

that a registered sale deed has been executed by the appellant/promoter in favour of the respondents/complainants on 04.04.2024.

16. The contention of the learned Counsel for the respondents/complainants is that the draft agreement of sale uploaded by the appellant/promoter on the project website of registration before the Regulatory Authority is entirely different from the agreement of sale, dated 11.11.2019, executed by him in favour of the respondents/complainants. On the other hand, learned Counsel for the appellant/promoter contended that the agreement for sale executed in the present case contains all statutory safeguards and does not dilute any of the rights of the allottees under the Act and that the minor variations in the format neither prejudice the complainants nor result in any substantive non-compliance with the Act or Rules.

17. A plain reading of the recitals of the agreement of sale, dated 11.11.2019, and also the draft agreement of sale submitted to RERA at the time of registration, would disclose that the appellant/promoter has uploaded the same draft agreement of sale on the website as that of the Annexure to Rule 38 of the Rules, but has executed a completely different agreement of sale, dated 11.11.2019, in favour of the complainants, which is impermissible. The purpose of the provision of Rule 38 is to ensure

uniformity in the process of entering into agreement of sale with the allottee by the promoter, which protects and balance the rights and liabilities of both the parties. However, the act of the appellant/promoter in changing the format and executing a completely different agreement of sale, even though some terms may be similar, is impermissible. Therefore, we are of the view that the conduct of the appellant not only contravenes Rule 38 of the Rules but also amounts to furnishing false information and deliberate suppression of material facts and as such the learned Regulatory Authority has rightly held that the appellant has violated Rule 38 of the Rules by not adhering to the format of the agreement for sale as stipulated in the annexure to the said Rule and imposed penalty on the appellant under Section 60 of the Act.

18. Insofar as the payment of maintenance charges is concerned, the appellant/promoter contended that the learned Regulatory Authority has erred in holding that the respondents/complainants shall be liable to pay maintenance charges as soon as the unit is completed in accordance with Clause 7.2 of the agreement for sale as prescribed under Rule 38 of the Rules. The appellant relied upon a Clause 11.4 of the agreement of sale, dated 11.11.2019, executed by him in favour of the complainants, which stipulates that monthly maintenance charges shall be payable by the

complainants to the owner's association etc., ` from the date of intimation as to possession or completion of the scheduled flat or date of receipt of possession of the flat, whichever is earlier.

19. However, regarding payment of maintenance charges, Clause 7.2 of the draft agreement for sale under Annexure to Rule 38 of the Rules clearly establishes as under:

> "The promoter, upon obtaining the occupancy certificate from the competent authority shall offer in writing the possession of the apartment/plot to the allottee who has paid all the amounts in terms of this agreement to be taken within two months from the date of issue of occupancy certificate. If the allottee fails to take delivery within the time specified in the notice, he shall be liable for payment of all ongoings including maintenance charges from the date of notice. (Provided that, in the absence of local law, the conveyance deed in favour of the allottee shall be carried out by the promoter within 3 months from the date of issue of occupancy certificate). The promoter agrees and undertakes to indemnify the allottee in case of failure of fulfilment of an of the provisions, formalities, documentation on the part of the promoter. The promoter shall not be liable for any defect or deficiency occasioned on account of any act or omission on the part of the allottee or any authority or third party on whom the promoter has no control. The allottee, after taking possession, agree(s) to pay

> the maintenance charges as determined by the promoter/association of allottees. The promoter shall hand over the occupancy certificate of the apartment/plot, as the case may be, to the allottee at the time of conveyance of the same."

20. In the instant case, as on the date of issuance of notice to pay maintenance charges, the appellant/promoter did not obtain occupancy certificate for the project. Clause 7.2 of Rule 38 of the Rules is a statutory provision, which states that the allottee shall be liable to pay the maintenance charges after taking over possession of the flat. The appellant cannot override this statutory mandate through a contractual Clause 11.4 in an invalidly executed agreement that differs from the uploaded draft agreement of sale. Further, though under Section 19 (6) of the Act, the allottee shall be responsible to make necessary payments in the manner and within the time as specified in the agreement for sale including maintenance charges etc., the same would entail to be in accordance with the provisions of the Act and Rules and as such, the contention of the learned Counsel for the appellant the respondents have already agreed to pay the maintenance charges by virtue of Clause 11.4 of the agreement for sale, dated 11.11.2019, stands vitiated. Therefore, we are of the considered view that the learned Regulatory Authority has rightly

held that in accordance with Clause 7.2 of the agreement of sale as prescribed under Rule 38 of the Rules, the respondents/complainants shall pay maintenance charges as soon as the unit is completed.

21. So far as completion of final pending works is concerned, the respondents/complainants submits that it is improper on the part of the appellant/promoter to demand No Objection Certificate without having completed all the pending works. On the other hand, the appellant contended that before delivery of possession, the purchaser has to submit the documents being possession letter, no dues letter, association membership letter etc., however, the same were not submitted by the complainants. In this view of the matter, the learned Regulatory Authority has rightly held that the practice adopted by the appellant/promoter of collecting documents prior to the actual handing over of physical possession of the flat, is impermissible and that the completion of final works and delivery of physical possession must precede with the execution and collection of such documents.

22. The next contention of the learned Counsel for the appellant is that the learned Regulatory Authority has exceeded it jurisdiction in directing the appellant to dissolve the 'Greenwood Heights Welfare Association' and initiate the formation of a new association in accordance with the

provisions of Telangana Cooperative Societies Act, 1964. On the other hand, the learned Counsel for the respondents/complainants submits that the so-called Greenwood Welfare Association is created by the appellant only to maintain perpetual control over the apartment complex and to illegally extract maintenance charges from the allottees. Further, the said association has been formed in the month of November, 2021 when not even a single flat was registered or occupied.

23. From a perusal of Clause 19 of the draft agreement for sale under Annexure to Rule 38 of the Rules, it is clear that the appellant/promoter has to submit an application to the Registrar for registration of the Association of allottees as a society under the A.P. Societies Registration Act, 2001, within two months from the date on which the Occupancy Certificate in respect of such project is issued, and a minimum of sixty per cent of the total allottees in such a project have taken possession and the promoter has received full consideration from such allottees. However, the Hon'ble High Court for the State of Telangana, vide order, dated 05.03.2013, in W.P.No.3319 of 2013, held that the objectives of the A.P. Societies Registration Act, 2001, does not include the maintenance of the apartments, but the 'Telangana Co-operative Societies Act, 1964' has objectives which include maintenance of apartments/gated communities

for the welfare of the allottees. Therefore, we are of the view that the learned Regulatory Authority has rightly directed the appellant/promoter to dissolve the association already formed and form a new association in line with the aforesaid Order of the Hon'ble High Court of Telangana read with Clause 19(1) of the draft agreement of sale as provided under Annexure to Rule 38 of the Rules.

24. So far as the refund of Rs.31,000/-collected by the appellant/promoter towards Manjeera water charges from the respondents/complainants is concerned, as per Clause 8(2)(vii) of the draft agreement under Annexure to Rule 18 of the Rules, the allottee has to pay to the promoter within fifteen days of demand by the promoter, his share of security deposit demanded by the concerned local authority or Government for giving water, electricity or any other service connection to the building in which the apartment is situated. Therefore, the learned Regulatory Authority has rightly held that the respondents/complainants are not entitled to refund of the said amount, which is the statutory charge to be paid by the promoter to the concerned Water Board.

25. That apart, the contention of the learned Counsel for the appellant/promoter is that the respondents/complainants are liable to

pay interest for the delay in making payments as stipulated in the agreement of sale dated 11.11.2019. Clause 18 (VII) of the agreement of sale under Annexure 'A', provides that the balance amount of Rs.2,00,000/- has to be paid by the complainants upon completion of the unit i.e., 10.11.2021. The appellant/promoter himself has admitted that certain essential works such as sanitary fittings, paints and electrical connections etc., remained pending. In the absence of the said essential works, the unit cannot be said to be in a condition ready for possession or completed. Therefore, the imposition of interest on the respondents/complainants for the alleged delay in payment is untenable. Further, the learned Regulatory Authority has rightly held that the appellant/promoter has to charge GST on the total consideration in lumpsum or on each instalment or as agreed between the parties. Therefore, no GST is applicable on the interest on delayed payments as the same is not part of the sale consideration.

26. On a cumulative consideration of the entire material available on record, we are of the considered opinion that the impugned order, dated 23.06.2025, passed by the learned Regulatory Authority is legally sound and based on comprehensive appreciation of facts and law and the same does not warrant any interference by this Tribunal.

27. In the upshot, the appeal is dismissed and the impugned order, dated 23.06.2025, passed by the learned Regulatory Authority in Complaint No.157 of 2024 is hereby upheld. There shall be no order as to costs.

Pending miscellaneous applications, if any, shall stand closed.

Registry is hereby directed to transmit a copy of this order to the parties and the learned Regulatory Authority as per section 44 (4) of the Act.

Pronounced on this 6th day of May, 2026.

_____Sd/-_____
A. SANTHOSH REDDY, J
(CHAIRPERSON)

_____Sd/-_____
P. PRADEEP KUMAR REDDY
(JUDICIAL MEMBER)

06th MAY, 2026
GSN