

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.
Hon'ble Smt. Chitra Ramchandran, Administrative Member.

T.A.No.50 of 2025

Between:

M/s Countryside Realtors India Private Ltd.
Represented by its Director Masood Ul Hasan
having its Office at Villa No.18, Westend Greens,
Sy.Nos.100 & 107, Mokila village, Shankarpally
Mandal, Rangareddy District, Telangana- 501203.



...Appellant/Developer

AND

1. Tumpi Shome R/o Villa No.26, Westend Greens, Mokila, Near La Paloma villa, Hyderabad-501 203.
2. Sailaja Nukala, R/o Villa No.100, Westend Greens, Mokila, Near La Paloma villa, Hyderabad- 501203
3. Monika Singh, R/o Villa No.32, Westend Greens, Mokila, Near La Paloma villa, Hyderabad- 501203
4. Tarun Dhar, R/o Villa No.15, Westend Greens, Mokila, Near La Paloma villa, Hyderabad- 501203
5. Sandeep Josyula, R/o Villa No.16, Westend Greens, Mokila, Near La Paloma Villa, Hyderabad 501203.

.. Respondents/Complainants

Counsel for the Appellant

: Mr.Drupad Sangwan

Counsel for the Respondents

: Mr.A.Chandra Shekar

Date of Decision

: 06.04.2026

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

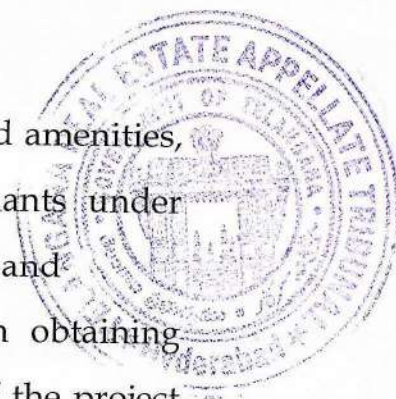
This appeal arises from out of the Order, dated 17.07.2025, passed by the Telangana State Real Estate Regulatory Authority (hereinafter referred to as 'the Regulatory Authority), in Complaint No. 16 of 2024, whereby the Complaint filed by the respondents/complainants was disposed of with the following directions:

- (i) The appellant/developer was directed to pay a penalty of Rs.38,59,436/- for violating Sections 11 and 14 read with Section 61 of the Real Estate (Regulation and Development) Act, 2016 (for brevity 'the Act').
- (ii) The appellant was further directed to approach the Hyderabad Metropolitan Development Authority (HMDA) for obtaining necessary permissions required to complete the project in accordance with the representations made in the brochure. If the developer fails to obtain the approval from the competent authority, he shall be held liable, in terms of Section 18 of the Act, to refund the amounts received from the allottees along with appropriate compensation for the loss and hardship caused to them. He shall also ensure that necessary applications

are made for the approval of all promised amenities, as specifically sought by the complainants under relief (iv) before the competent authority; and

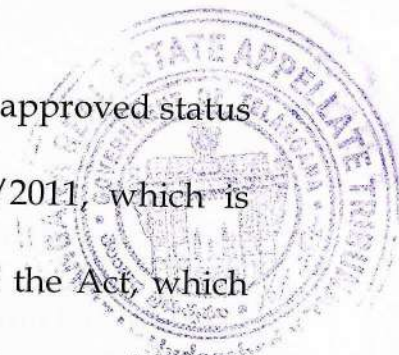
- (iii) The developer was directed that upon obtaining requisite approvals for the completion of the project from the competent authority, he shall within a period of 10 days from the date of such approval, submit an application for registration of the project under Section 4 of the Act. Until such registration is duly granted by the Authority, he shall be restrained from advertising, marketing, booking, selling, offering for sale or in any manner inviting persons to purchase any villas or units in the subject real estate project. Failure to comply with the above directions, it shall be viewed as a serious violation of the statutory mandate under Sections 3 and 4 of the Act. In such an event, the Authority shall not hesitate to initiate proceedings for declaring the developer as a defaulter, in accordance with law, and to invoke all consequential penal provisions under the Act.

2. The factual matrix relevant for deciding the present appeal as discerned from the complaint filed by the respondents/complainants, in brief, is that they had invested in the HMDA approved layout known as "Westend Greens", located in Sy.No.100 (Part) and 107 (Part) of Mokila




Village, Shankerpally Mandal, Ranga Reddy District, Hyderabad. That according to the initial plan outlined in marketing materials and the agreement of sale, developer represented that the Westend Greens project obtained approval from HMDA in 2011 under LP No. 1140/LO/ZO-SKP/HMDA/2011 with an initial plan of building 117 villas. Accordingly, Complainants paid all the dues as outlined in the Agreement of Sale, which includes the cost of construction as mentioned in the Agreement of Sale; taxes in the form of GST; amount demanded as part of developing amenities such as Club House and the monthly maintenance at the rate of Rs.7500/- per villa. That pursuant to the satisfactory receipt of payment, developer duly issued a "No Objection & No Dues" Certificate to the Complainants, signifying the settlement of all outstanding financial obligations. That despite the commencement of the Westend Greens Villa project in 2011, after 12 years, only 20 out of the initial 117 villas have been deemed fit for possession. The Complainants further submitted that the developer approached the Hyderabad Metropolitan Development Authority (HMDA) for revalidation of the layout, once in 28.02.2017 and then in 20.12.2019. However, the Complainants have not been communicated if revalidation has been approved or not. But, while developer had applied for revalidation, the

Westend Greens website continued to depict the HMDA approved status with LP Number LP No. 1140/LO/ZO-SKP/HMDA/2011, which is misleading and in direct contravention of Section 12 of the Act, which imposes obligations on promoters regarding information provided to buyers. They further highlighted that Section 11(2) of the Act, which states that advertisements for marketing plots or flats in a real estate project must include the TG RERA registration number, but developer failed to do so. It was submitted that as of February 2024, only around 30% of the project was complete and the developer doesn't possess the Completion Certificate making Westend Greens an "ongoing project". However, Westend Greens Villa project doesn't have the mandatory RERA registration which is a violation under Section 3 of the Act and that for projects that are ongoing on the date of the Act and for which the Occupation certificate has not been issued, the promoter is required to submit an application to the authority for the registration of the project within three months from the commencement of the Act. It was further submitted that while the Complainants have been staying in their respective villas in the past two to three years, the project lacks basic facilities which have been promised in the respective Agreements of Sale, the marketing brochures as well as website. There is no Sewage Tank or



Sewage Treatment facility in Westend Greens even though the project is 11 years old. Human waste is just dumped into an open pit. This is a clear violation of the directive from National Green Tribunal for mandatory fitment of Sewage Treatment Plant (STP) for residential areas exceeding 10,000 square meters. Further, compound wall was not constructed and high-tension electrical lines that are lying in the open is posing as a significant threat to the safety of the residents. There is no proper water piping done with non-functioning pneumatic pumps and sumps even though these were promised as amenities. It was submitted that the Complainants have duly fulfilled their financial obligations by remitting complete payments for various amenities such as the clubhouse, compound wall, power backup generator, and other associated services, as per the stipulated demands set forth by the developer and have obtained 'No Dues' certificates from it. Starting February 2024, the developer has initiated requests for residents to remit outstanding maintenance dues to SM Financial Services. They added that this firm specializes in liquidation and wind-down management solutions, thereby instilling justifiable apprehension among residents regarding the project's viability and financial condition of developer to complete the pending amenities and construction. Therefore, aggrieved by the actions of the

appellant/developer, respondents/Complainants prayed the following reliefs:

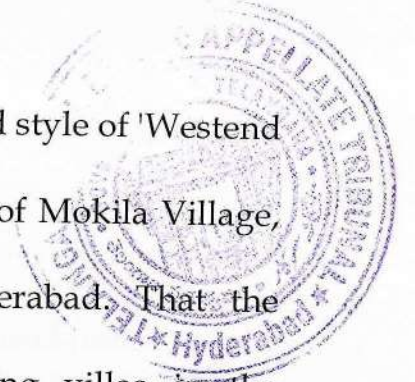
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- i. Complainants implore the authorities to enforce the mandatory registration of Westend Greens under RERA. The statutory requirement for registration applies particularly to ongoing projects lacking a completion certificate at the commencement of the Act.
 - ii. Re-instatement of the lapsed HMDA approval (via LP No. 1140/LO/ZOSKP/HMDA/2011). This renewal is imperative to safeguard the interests of the residents and rectify the non-compliance issues currently plaguing the development.
 - iii. In furtherance of securing the rights of the buyers, the Complainants implores that RERA disposes of the twenty HMDA mortgaged plots, with the intent of utilizing the proceeds for the completion of pending amenities and villas. This strategic course of action will help ensure the fulfilment of contractual obligations and safeguard the interests of the purchasers.
 - iv. Development of infrastructure within a reasonable time. Infrastructure includes STP, Water Pneumatic Pump, functional drainage in all lanes, power backup, dual meter, street lights in all lanes, jogging track, club house, swimming pool, indoor badminton court etc in line with promised amenities as per sale deed.

v. Expedite completion of under construction villas including timeline commitment for open plots construction using same elevation as other villas.

vi. The Complainants earnestly request the RERA authorities to take prompt measures to address the persistent occurrences of intimidation directed at residents by Countryside Realtors Pvt Ltd. This Intimidation is evidenced by the deployment of bouncers and security personnel, as well as unjustified and unlawful actions, including the sudden termination of water, electricity supply and maintenance. Additionally, there have been threats of filing Defamation suits with the apparent aim of stifling the voice of the customers. The initiation of corrective actions is sought to rectify these grievances and ensure the protection of the rights of the affected parties.

3. Appellant/developer filed a Counter, *inter alia*, contending that the he is the peaceful co-owner, co-possessor, and developer of land admeasuring Ac. 11-28.60 gts. in Sy. Nos. 100 (Part) and 107 (Part), situated in Mokila Village, Shankarpally Mandal, Ranga Reddy District. That he obtained layout permission through Hyderabad Metropolitan Development Authority (HMDA) Permit No. 1140/LO/ZO-SKP/HMDA/2011, dated 03.11.2011, for the development of the said

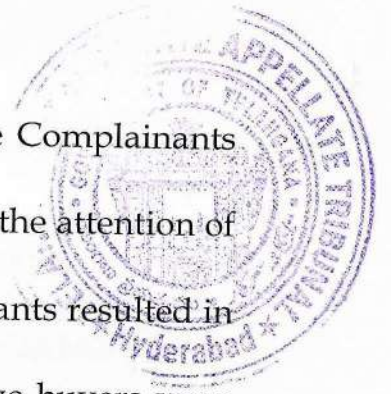
property and construction of villas under the name and style of 'Westend Greens', located in Sy. Nos. 100 (Part) and 107 (Part) of Mokila Village, Shankarpally Mandal, Ranga Reddy District, Hyderabad. That the Complainants expressed their interest in purchasing villas in the 'Westend Greens' Project, specifically in Plot Nos. 26, 100, 32, and 16. Consequently, the developer executed the Agreements of Sales i.e., Agreement of Sale, dated 09.05.2014, for the Villa in Plot No. 26, Agreement of Sale, dated 20.12.2011, for the Villa in Plot No. 100, Agreement of Sale, dated 19.11.2014, for the Villa in Plot No. 32, and Agreement of Sale, dated 10.01.2012, for the Villa in Plot No. 16, in favour of the respective Complainants. Thereafter, the developer executed Registered Sale Deeds, vide Doc. No. 1347 of 2014, dated 14.05.2014; Doc. No. 52 of 2013, dated 03.01.2013; Doc. No. 2967 of 2014, dated 21.11.2014, and Doc. No. 489 of 2012 dated 11.02.2012, in relation to the villas situated in Plot Nos. 26, 100, 32, and 16 of the Project. It was further submitted that the developer had completed the construction of the villas and duly handed over possession of the individual villas to each of the Complainants. That the Complainants themselves admitted that under the Registered Sale Deeds they had already taken possession and as such this demonstrates that the developer has fulfilled the obligations to the



Complainants in accordance with the terms of the registered Sale Deeds. That the Complainants in their respective sale deeds had also agreed to pay the charges towards the cost of amenities agreed upon as per the Agreements of Sale. That the respective Complainants subsequently executed declarations on 27.04.2018, 18.10.2018, 01.03.2019 and 01.08.2021 affirming their possession of the respective villas and acknowledging that the construction of the villas was carried out in accordance with the agreed-upon norms and specifications. It was further submitted that in these declarations, the Complainants expressly affirmed that the materials and fixtures used in the construction were of the highest quality. They also confirmed that they had thoroughly inspected all aspects of the villas and had no objections or grievances against the builder. After the above-said declarations, the Complainants are estopped by their own acts from agitating the present grievances. Despite this clear and unequivocal acceptance, Complainants now seek to challenge the very same construction, attempting to contradict their prior affirmations.

4. It was further submitted that developer had requested the Complainants to clear outstanding dues and address other payment defaults on their part. Instead of fulfilling their obligations, the Complainants began spreading unwarranted negativity and

defaming/maligning the project. In September 2018, the Complainants formed various WhatsApp groups, one of which came to the attention of the developer. This defamatory conduct by the Complainants resulted in significant losses for the developer, as several prospective buyers were deterred from proceeding with their purchases in this esteemed project. The developer consequently issued a legal notice, dated 23.09.2018, informing the Complainants that their actions of spreading unfounded negativity had caused substantial damage to the project, resulting in severe losses to the developer. It was further submitted that despite numerous defamatory actions, including the dissemination of false information by the Complainants to tarnish the project's reputation and the project, the developer consistently endeavoured to safeguard the interests and maintain harmony among the allottees. The Complainants acting with *mala fide* intent, sought to damage the developer's reputation as they were habitual defaulters in the payment of monthly maintenance fees and have yet to remit the full consideration amounts as agreed. In fact, when the same was highlighted to the Complainants, one of the complainants even sent an apology letter to the Respondent. It was also submitted that a notice, dated 11.03.2024, was subsequently issued to the developer informing that a villa owners society, namely the 'Westend



Greens Villas Owners Mutually Aided Cooperative Maintenance Society Ltd." (WGMACS) had been formed and expressed its intention to assume the management of the monthly maintenance of the 'Westend Greens' project. That in furtherance of the above, a subsequent notice, dated 12.03.2024, was issued just one day after the previous notice which was served upon the developer stating that the WGMACS intended to assume the management and maintenance of the 'Westend Greens' project effective from 01.04.2024. Upon review, it was discovered that the Society i.e., WGMACS had been formed overnight without adhering to the due process and in complete violation of the Agreements of Sale and bye-laws governing 'Westend Greens'. That during this period, the developer made considerable efforts to resolve various issues that arose in the project due to the disruption caused by the Complainants through WGMACS. That the leadership and management of the WGMACS were being handled by the Complainants themselves, i.e., individuals who had persistently defaulted on payments, including monthly maintenance fees and consideration amounts such as taxes, property cost, villa cost, amenities cost etc. The entire process of establishing and operating the society was conducted in an exceedingly arbitrary manner further exacerbating the issues within the project. That the developer being aggrieved by the

actions of the Complainants issued a legal notice, dated 16.03.2024, formally challenging the Complainant's conduct. Specifically, the notice contested the formation of a society in violation of numerous laws as well as the abrupt and unwarranted demand to take over the management of maintenance and other operational functions from the developer to the alleged society. These actions constituted a breach of the undertaking previously given by the Complainants and a blatant violation of the project's bylaws. That, in response to the legal notice, dated 16.03.2024, the majority of other residents i.e., other villa owners replied stating that they were unaware of the formation of the society known as WGMACS. They asserted that their signatures had been used without their knowledge or consent for the purposes of the society and explicitly demanded that their signatures no longer be associated with WGMACS in any capacity. These residents further expressed that they had no desire to be affiliated with WGMACS and instead preferred to be part of a society formed directly by the developer. The residents of 'Westend Greens' also emphasized that WGMACS appeared to have been formed with the sole intention of causing disruption to the developer, noting that the Complainants acted with malice to damage the developer's reputation. The property was consistently guarded by dedicated security

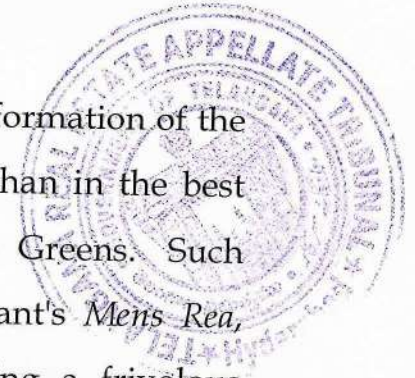


personnel, featured well-constructed roads, proper electrical fittings, and was maintained as a lush, green community with an efficient sewage system and a properly functioning water sump. That the developer exerted his best efforts to ensure that the residents of 'Westend Greens' would enjoy the quality lifestyle that was originally proposed to them.

5. The appellant/developer raised the following grounds:
- i. That the Complainants failed to specify the provision or section under which the reliefs have been claimed/prayed.
 - ii. That the Complainants formed the Westend Greens Villas Owners Mutually Aided Cooperative Maintenance Society Ltd. (WGMACS) without adhering to the requisite procedures, with the intent of assuming control over the management of the project, particularly in overseeing all activities, including the collection of maintenance fees. Notably, many allottees along with one of the Complainants have been chronic defaulters in the payment of dues and have yet to pay the consideration agreed upon.
 - iii. Complainants without authorization used the signatures of the majority of the other residents of 'Westend Greens' for the purpose of establishing WGMACS. These residents have explicitly expressed their desire to join the society formed directly by the Builder and have stated that the Complainants acted with mala fide intent to tarnish the developer's reputation. The Complainants intentionally concealed this

crucial information, demonstrating that the formation of the society was for their personal gain rather than in the best interests of the residents of 'Westend Greens. Such concealment is indicative of the Complainant's *Mens Rea*, aimed at exploiting the situation and filing a frivolous complaint. The majority of the other residents have clearly indicated their intention to maintain a cordial relationship with the developer, who has consistently sought to fulfil his duties and deliver the best possible outcome for the allottees. Hence, there is a serious concealment of facts by the Complainants.

- iv. The Complainants have breached multiple clauses of the Bylaws governing 'Westend Greens. By forming and operating the Westend Greens Villas Owners Mutually Aided Cooperative Maintenance Society Ltd. (WGMACS), the Complainants have demonstrated their intent not only to defame the developer but also to act without transparency. The Complainants procured the signatures of the majority of residents without prior notice or consent, raising serious doubts about the legitimacy of WGMACS's formation and highlighting their clear violation of the Bylaws governing 'Westend Greens.
- v. That the Complainants themselves have previously executed an undertaking affirming that the materials and fixtures used in the Villa are of the best quality as per the standards. The Complainants clearly acknowledged their satisfaction with the Villa and expressly stated that they had no issues



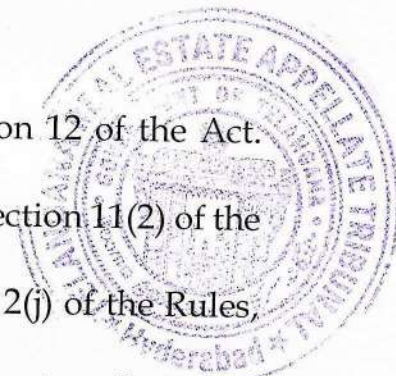
concerning the quality provided by the Builder. Contrary to this, the present complaint has been filed with *mala fide* intentions, alleging substandard quality of the project, thereby defaming and causing irreparable harm to the developer's reputation.

- vi. That the Complainants have approached this Authority with unclean hands, having engaged in the malpractice of forum shopping. The Complainants, being fully aware that their rights are extinguished before various authorities and tribunals, including consumer forums and civil courts, and that their right to institute further cases has expired under the Limitation Act, have mischievously approached the Authority to harass the appellant herein.
- vii. That the reliefs prayed by the Complainants are reliefs that can be claimed by an association and the reliefs are not individual reliefs that can be claimed individually as the Complainants do not represent the allottees of the project.

6. The appellant/developer further contended that he had not advertised any false information and none of the prospective buyers of the Project have incurred loss and as such there is no violation of Section 12 of the Act. That apart, from complainants there have been no complaints filed by any prospective buyer seeking for relief under Section 12 of the Act, hence this proves that the developer has not committed any

violation or breach which triggers liability under Section 12 of the Act. That the developer has not committed any violation of Section 11(2) of the Act, as the project is not an ongoing project as per Rule 2(j) of the Rules, 2017. That the developer has meticulously ensured the installation of necessary water piping, pumps, and sumps, taking all required measures to fulfil the promised obligations to the residents. While denying that the complainants have duly fulfilled their financial obligations by remitting complete payments for various amenities such as the clubhouse, compound wall, power backup generator, and other associated services, as per the stipulated demands set forth by Countryside Realtors and have obtained 'No Dues' certificate, the developer submitted that only on the request of the Complainants, the developer had issued No Due Certificate upon mutual trust and confidence solely for the purpose of getting the sale deed executed. The developer is committed to maintaining and enhancing the quality of infrastructure and amenities in line with the promises made.

7. Appellant/developer filed an interlocutory application challenging the very maintainability of the complaint, inter alia, contending that the project is not ongoing in accordance with the Rules, 2017 and, therefore, the Regulatory Authority does not have any jurisdiction to adjudicate

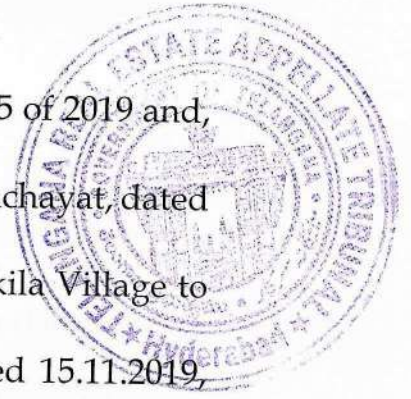


upon the present matter. The complainants also filed a reply to the said application. Thereafter, the Regulatory Authority has passed an order, dated 25.07.2024, dismissing the said application. Aggrieved by the same, the appellant/developer filed T.A.No.28 of 2024 and this Tribunal, by order dated 03.01.2025, dismissed the same holding that the project 'Westend Greens' qualifies as an 'ongoing project' under the Act and Rules and that the complaint filed by the complainants is maintainable and falls within the jurisdiction of the Authority.

8. The Complainants filed a rejoinder to the Counter-affidavit filed by the developer, *inter alia*, contending that it appears, the Westend Greens project currently lacks the requisite building permission to undertake construction beyond the initially approved three plots. The fact that the Westend Greens project doesn't possess any Building Permission is also highlighted by the notice sent by Panchayat Secretary, Mokila Village to District Panchayat Officer, Ranga Reddy District, dated 15.11.2019, wherein it was stated that Countryside Realtors "not obtained the G.P. Permission from the local body for construction approval". It was submitted that a conjoint reading of Counter affidavit, dated 25.02.2020, submitted by Mr. K. Srinivas, Director, Planning-I, Hyderabad Metropolitan Development Authority (HMDA), Tarnaka, before the

Hon'ble High Court of Telangana in Writ Petition No. 29045 of 2019 and, HMDA's letter to the Executive Authority, Mokila Gram Panchayat, dated 3.11.2011 and also notice sent by Panchayat Secretary, Mokila Village to the District Panchayat Officer, Ranga Reddy District, dated 15.11.2019, leads to the inescapable conclusion that the Westend Greens project does not possess any valid Building Permission beyond the construction of three model villas on three designated plots. Consequently, 39 out of the 42 villas constructed so far by the Respondents at the Westend Green layout have been developed without the requisite Building Permissions, constituting a blatant violation of applicable laws and regulations. It was further submitted that the developer through its acts of misrepresentation have caused severe prejudice to the Complainants, who have invested their savings in the project based on the developer's assurances of regulatory compliance and the promise of premium-quality residential development.

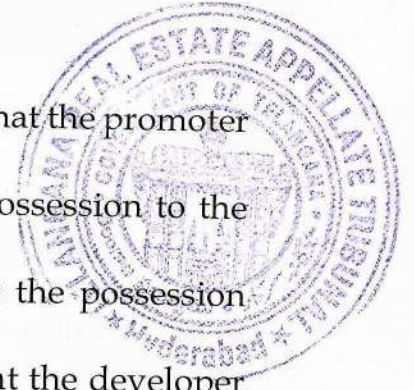
9. Further, the Complainants refuted the claim of the developer that they are the "peaceful co-owner, co-possessor, and developer of the Westend Greens Villa project. Contrary to this assertion, the project has been plagued by legal and regulatory violations, as evidenced by multiple notices issued by the Gram Panchayat, Mokila, warning the developer



against undertaking illegal construction prior to obtaining final layout approval, which include notices dated 18.12.2018, 12.11.2019, 15.11.2019 and 10.01.2020. It was further submitted that in their letter to the District Panchayat Officer, dated 22.12.2019, the developer itself acknowledged that on 18.12.2019, "50 persons unauthorizedly entered our project Westend Greens at Mokila village, with 2 JCBs and 1 tractor cum dozer" and "partly demolished two under-construction structures." This admission, coupled with their filing of Writ Petition No. 29045 of 2019 before the Hon'ble High Court of Telangana on 30.12.2019 to halt the demolition activities, directly contradicts their claim of being "peaceful co-owners and co-possessioners" of the project land. It was further submitted that the HMDA, vide Letter No. 1140/LO/ZOSKP/HMDA/2011, dated 06.06.2011, granted approval for the development of an open plotted layout only subject to strict conditions, including (i) Completion of layout development works. (ii) Release of mortgaged land by HMDA. (iii) Procurement of final layout approval before any construction or issuance of building permissions. However, current reality of the project is starkly different and underscores the developer's deliberate flouting of regulatory norms. Complainants also submitted that mere act of handing over physical possession does not equate to lawful possession under the

Act, 2016. Section 11(4)(b) of the Act explicitly mandates that the promoter must obtain an Occupancy Certificate before offering possession to the allottees. The absence of this critical document renders the possession illegal and demonstrates a clear violation of the Act. That the developer has failed to provide essential amenities as explicitly promised in the promotional materials, Agreements of Sale, and Sale Deeds. It was submitted that this failure constitutes a breach of contractual obligations and violates Section 11(4)(a) of the Act, which obligates the promoter to develop the project in accordance with the sanctioned plans, specifications, and the brochure as specified in the Agreement of Sale. Further, that developer has failed to obtain final layout approval and requisite building permissions, in clear violation of Section 14 (1) of the Act, which requires the promoter to build the project in accordance with the sanctioned plans, layout plans and specifications as approved by the competent authorities.

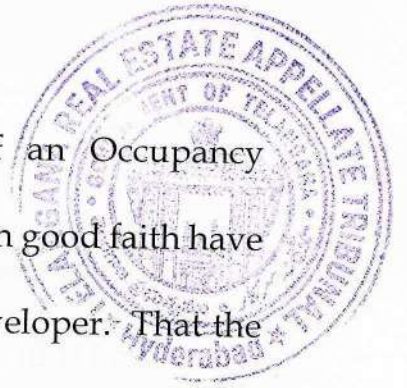
10. It was submitted that the core grievance of the Complainants pertains to the developer failure to complete the amenities as promised in the respective Agreements of Sale and Sale Deeds in spite of the Westend Greens project running for over 12 years. The expiration of the HMDA layout approval, coupled with the developer's failure to register the



Westend Greens project before the Regulatory Authority, has rendered the project non-compliant with statutory requirements and significantly diminished its marketability. Further, Complainants raised issues with respect to substandard maintenance and imposition and forceful collection of exorbitant monthly maintenance of Rs.8850/- from each villa. It was further submitted that while the Complainants have not lodged a formal complaint concerning the quality of construction, the mere signing of a Declaration, which has no legal sanctity, does not and cannot absolve the developer of its statutory responsibility under Section 14(3) of the Act. This provision unequivocally holds that any structural defects, if discovered subsequently, shall still be the liability of the Respondents, notwithstanding any prior declarations or assurances. It was submitted that the assertions that the Complainants acted with *mala fide* intent or failed to remit maintenance fees and consideration amounts are entirely unfounded, unsupported by evidence, and an apparent attempt to divert attention from the developer's non-compliance with statutory obligations and contractual promises. Despite the project suffering from glaring deficiencies not possessing any building permission as well as layout permission with the draft layout expiring 7 years back on 03.11.2017, complete absence of essential amenities,

substandard maintenance services, and the lack of an Occupancy Certificate or Occupancy Certificate, the Complainants in good faith have nonetheless made regular monthly payments to the developer. That the developer's claims of financial losses are unsubstantiated. The developer's non-compliance caused banks to withhold mortgage payments, directly impacting on their financial standing not any actions on the part of the Complainants.

11. Complainants further submitted that it is the fundamental right of the community to have an organization for its collective welfare. Accordingly, the residents of Westend Greens have formed the Westend Greens Villas Owners Mutually Aided Cooperative Maintenance Society Ltd. (WGMACS) under Section 5 of the Telangana Mutually Aided Cooperative Societies Act, 1995, as a direct response to the deprivation of fundamental necessities, including safety and security, which are owed to every resident by Countryside Realtors India Private. Ltd. That the developer, in its affidavit submitted to the Hon'ble Real Estate Appellate Tribunal in Appeal No. 28 of 2024, dated 10.12.2024, have explicitly admitted that out of 117 plots under development, 18 plots have been mortgaged to HMDA, and 66 plots have already been sold from the remaining 99 plots which establishes that more than 50% of the plots in

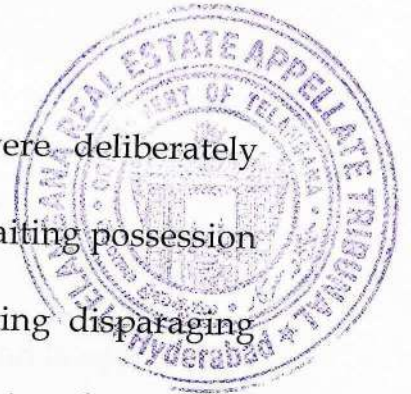


the project have been sold couple of years back by the developer. That as per Section 11(4)(e) of the Act, it is the statutory obligation of the promoter to facilitate the formation of an association of allottees within three months of the majority of allottees booking their plot, apartment, or building in the project. Despite this clear legal mandate, the developer has failed to form the association despite passage of 12 long years, thereby disregarding the rights and interests of the allottees. The developer's consistent inaction and neglect necessitated the transition of these responsibilities to WGMACS to prevent further decline in living conditions.

12. With respect to the assertion that Complainants used signatures of other villa owners without their knowledge or consent for the purposes of the society, the Complainants submitted documentary evidence in the form of emails from the same group of owners which demonstrate that the developer coerced the owners into sending derogatory communications regarding the WGMACS association, which was legally and democratically established by the residents of Westend Greens. The evidence further implicates that villa owners, still awaiting possession of their respective units, were pressured by Mr. Saurabh Pandey, Manager at Countryside Realtors India Pvt Ltd., into sending defamatory and

baseless emails against WGMACS. These actions were deliberately intended to compel purchasers, who were anxiously awaiting possession of their properties for more than a decade, into writing disparaging messages about the association in exchange for the promise of expedited possession of their villas. While denying the contention made by the developer that the "amenities of 'Westend Greens' remained up to the promised standard" as wholly false and misleading and relied upon the affidavit, dated 10.12.2024, filed before the Hon'ble Appellate Tribunal whereunder, developer admitted that construction of the clubhouse and Swimming Pool remains incomplete in view of non-payment of consideration of amenities by the other owners and that the landscaped Garden has been fully developed, however, the remaining common areas are yet to be finalized. It was further submitted that the issuance of the "No Objection & No Dues" Certificate was not based on any conditional trust or confidence but was a formal acknowledgment of the Complainants' full and satisfactory settlement of all financial obligations.

13. After hearing the learned Counsel appearing on either side and perusing the entire material available on record, the learned Regulatory Authority, vide impugned order, dated 17.07.2025, disposed of the complaint filed by the respondents/complainants as stated supra.



14. Feeling aggrieved by the aforesaid order, dated 17.07.2025, the present appeal has been preferred by the appellant/ developer.

15. We have heard the learned Counsels appearing for the appellant/developer as well as respondents/complainants and have gone through the entire material placed on record along with written submissions filed by them.

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

“Whether the impugned order, dated 17.07.2025, passed by the learned Regulatory Authority is sustainable in law?”

POINT::

17. It is alleged that the appellant, who is a co-owner and developer of the agricultural land in Sy.No.100(P) and 107(P) admeasuring Ac.11.28.60 gts. situated at Mokila village, Shankarpally Mandal, Ranga Reddy District, had developed the said property for construction of Villas under the name and style of “Westend Greens” Project. The respondents/complainants had entered into respective agreements of sale dated 09.05.2014, 20.12.2011, 19.11.2014 and 10.01.2012 with the appellant/developer for purchase of Villas in the said project in Plot Nos.26, 100, 32 and 16 and thereafter the appellant executed registered sale deeds dated 14.05.2014, 03.01.2013, 21.11.2014, 11.02.2012 and

04.03.2020 with respect to Villas in Plot Nos.26, 100, 32, 16 and 15 respectively in favour of the complainants.

18. The contention of the learned Counsel for the appellant/developer is that the impugned order suffers from a fundamental jurisdictional error as the learned Regulatory Authority proceeded to adjudicate the complaint filed by the respondents/complainants despite the maintainability and jurisdictional challenge being *sub judice* before the Hon'ble High Court of Telangana. His further contention is that the project being pre-RERA and possession of the Villas having already been delivered to the complainants, the learned Regulatory Authority lacked jurisdiction to entertain or decide the complaint and as such the impugned order is *ex facie* without jurisdiction and is liable to be set aside.

19. We are unable to accede to the aforesaid contentions since the issue of jurisdiction and maintainability of the complaint had already been decided by the learned Regulatory Authority and this Appellate Tribunal. During the pendency of the proceedings in Complaint No.16 of 2024 before the Regulatory Authority, the appellant/developer filed I.A.No.34 of 2024 challenging the maintainability of the complaint on various grounds and that the learned Regulatory Authority dismissed the said application, vide orders, dated 25.07.2024, holding that the complainants



have locus to file the present complaint and by virtue of Section 3 of the Act and the judgment of the Hon'ble Supreme Court in the case of *Newtech Promoters and Developers Private Limited vs. State of Uttar Pradesh and others*¹, the Regulatory Authority has got jurisdiction to entertain the complaint. Aggrieved by the same, the appellant/developer preferred T.A.No.28 of 2024 and this Tribunal, by order dated 03.01.2025, dismissed the said appeal holding that 'Westend Greens' is an ongoing project and that the complaint is maintainable under the Act and Rules. Being further aggrieved, the appellant/developer had preferred a Second Appeal i.e., S.A.RERA No.1 of 2025 before the Hon'ble High Court of Telangana, but no stay has been granted by the Hon'ble High Court and that the matter is pending adjudication. Therefore, the learned Regulatory Authority has proceeded with the matter and upheld that the project falls within the jurisdiction of the Regulatory Authority and the developer is held to be in violation of Sections 3 and 4 of the Act. Accordingly, the Regulatory Authority held that that the project ought to have been registered, however, it refrained from invoking penal provisions under Sections 59 and 60 of the Act, taking into account the prevailing interpretation of Rule 2(1)(j) of the Telangana State Real Estate

¹ (2021) 18 SCC 1

(Regulation and Development) Rules, 2017 (for brevity 'the Rules') at the relevant point of time.

20. The contention of the learned Counsel for the appellant/developer is that the Regulatory Authority has erred in holding that it possessed jurisdiction to adjudicate the present complaint, in fact, the impugned order has been passed without jurisdiction, as reliance was erroneously placed on the unamended Rule 2(j) of the Rules. His further contention is that the Regulatory Authority itself had observed that there existed ambiguity regarding the requirement of registration, however, without assigning any cogent justification, it directed that the project ought to have been registered.

21. The aforesaid contention is fundamentally misconceived, because it is settled law that any project, for which a Completion or Occupancy Certificate had not been issued as on the date of commencement of the Act, is required to be registered with the Regulatory Authority. In *Newtech Promoters and Developers Pvt. Ltd. Vs. State of UP and others*² the Hon'ble Supreme Court held as under:

"Looking at the scheme of Act 2016 and Section 3 in particular of which a detailed discussion has been made, all 'ongoing projects' that commence prior to the Act and in respect to which completion

² (2021) ibclaw.in 188 SC



certificate has not been issued are covered under the Act. It manifests that the legislative intent is to make the Act applicable not only to the projects which were yet to commence after the Act became operational but also to bring under its fold the ongoing projects."

"The clear and unambiguous language of the statute is retroactive in operation and by applying purposive interpretation rule of statutory construction, only one result is possible, i.e., the legislature consciously enacted a retroactive statute to ensure sale of plot, apartment or building, real estate project is done in an efficient and transparent manner so that the interest of consumers in the real estate sector is protected by all means".

The Hon'ble Supreme Court further made it clear that 'it can safely be observed that the projects already completed or to which the completion certificate has been granted are not under its fold and, therefore, vested or accrued rights, if any, in no manner are affected. At the same time, it will apply after getting the ongoing projects and future projects registered under Section 3 to prospectively follow the mandate of the Act 2016".

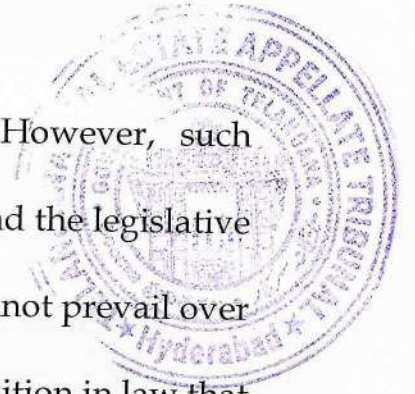
22. Admittedly, the project had no Occupancy Certificate/Completion Certificate as on 01.05.2016 and, therefore, it is an 'ongoing project' within the meaning of Rule 2(1)(j) of the Rules and also in view of G.O.M.S.No.60, dated 04.03.2025, issued by the Government of Telangana, which amended Rule 2(1)(j) to align with the Central enactment.

23. Rule(1)(j) of the Rules, as originally notified under G.O.Ms.No.202 dated 31.07.2017, defined 'ongoing projects' to exclude projects that had

received building permission prior to 01.01.2017. However, such exclusion was in direct conflict with the parent statute and the legislative intent underlying Section 3 of the Act, and, therefore, cannot prevail over the substantive provision of the statute. It is a settled position in law that subordinate legislation cannot override the parent statute. Further, Hon'ble Supreme Court in Newtech Promoters (supra), held that 'the Act has retroactive application and covers all projects that were ongoing on the date of its commencement and which had not received a completion certificate'. Further, the Hon'ble Supreme Court has unequivocally held that the determinative test for RERA applicability is the absence of a completion certificate/occupancy certificate and that technical pleas based on prior approvals or subordinate rules cannot be used to defeat the remedial object of the Act.

24. G.O.Ms.No.60 dated 04.03.2025, issued by the Government of Telangana, which amended Rule 2(1)(j) to align with the Central enactment. The amended Rule now defines 'ongoing project' as under:

"Ongoing project means a project where development is going on and for which occupancy certificate or completion certificate from the competent authority has not been issued as on date of coming into force as per sub section (1) of Section 3 of the Act."



25. The said clarification conclusively removes any ambiguity and reinforces the position that the applicability of the Act hinges not on the date of building permission but on the existence (or absence) of an occupancy or completion certificate.

26. It is the further contention of the learned Counsel for the appellant/developer that the learned Regulatory Authority has erred in holding that the appellant has violated the provisions of Section 11 of the Act. Once it is established that the project does not fall within the jurisdiction of Regulatory Authority and further the project predates the applicability of the Act, the question of invoking section 11(4) of the Act against the developer does not arise. Moreover, the Regulatory Authority has misinterpreted the submissions of the appellant/developer and wrongly concluded that HMDA has not granted any building permissions, despite the fact that the very issue is *sub judice* before the Hon'ble High Court of Telangana in W.P.No.2905 of 2029. That apart, the learned Regulatory Authority erred in holding that the appellant/developer has violated the provisions of Section 14(1) of the Act, which mandates the promoter to develop the project in accordance with the sanctioned plan.

27. In the counter, the appellant/developer, stated that the HMDA layout permit was obtained on 03.11.2011 for development of the project and since the commencement of the project, the developer has completed various villas including the villas bought and possessed by the complainants, who have been living in their respective villas for the last couple of years. It was further stated that the developer has completed a substantial part of the project and completion of rest of the project was attributed to the market fluctuations in the years 2016-18, State bifurcation and Covid-19 outbreak in the years 2019-2022 etc.,

28. The lack of building permission for the Westend Greens project is supplemented by HMDA's letter to the Executive Authority, Mokila Gram Panchayat dated 03.11.2011, that imposed the condition that the Executive Authority shall not approve and release any building permission or allow any unauthorised development in the area under mortgage to HMDA in particular and in other plots in general until and unless the applicant has completed the development works and got released the mortgaged land from HMDA.

29. The fact that the Westend Greens project does not possess any building permission is also highlighted by the notice sent by Panchayat Secretary, Mokila village to the District Panchayat Officer, Ranga Reddy

District, dated 15.11.2019, wherein it was stated that 'Countryside Realtors not obtained the G.P. permission from the local body for construction approval'.

30. Further, as per Section 11(4)(e) of the Act, the appellant/developer has the duty enabling the formation of an association which has to be formed within a period of three months of the majority of allottees having booked their plots. However, admittedly, the developer has failed to form an association and, in such an event, the allottees were compelled to form their own association and as such no violation whatsoever has been committed by the complainants and other allottees. In the event the developer is aggrieved by the formation of the maintenance society, the Regulatory Authority or this Tribunal is not the appropriate forum for adjudication of such grievances.

31. Further, the appellant/developer has violated the provisions of Section 14(1) of the Act, which mandates the promoter to develop and complete the project in accordance with the sanctioned plans, layout plans and specifications as approved by the competent authorities.

32. From the material available on record, it is evident that the appellant/developer has failed to complete the project and also failed to obtain a completion certificate for the project. In this regard, the developer

has requested the Metropolitan Commissioner, HMDA, Hyderabad, for revalidation of the layout, vide letters dated 28.02.2017 and 20.12.2019, as they were unable to complete the developments within the stipulated time given by the HMDA. However, the developer could not secure the revalidation and as per the provisions of the HMDA Act, 2008, the permission is valid only up to 03.11.2017, which has duly expired.

33. Learned Counsel for the respondents/complainants has drawn our attention to the counter-affidavit filed by the HMDA in W.P.No.29045 of 2019, which was filed by the appellant/developer before the Hon'ble High Court of Telangana, against the officials of the Panchayat Raj Department, wherein it is stated that the appellant/developer has applied for approval of 'open plotted layout with three model houses', contrary to the developer's misrepresentation in the marketing brochure that the project is a 'HMDA approved Villa Gated Community'. It further reveals that the HMDA has not granted any building permission for this open plotted layout, whereas the draft permission was limited to the development of the layout with three model houses. However, the appellant/developer has admitted, in T.A.No.28 of 2024 filed by him before this Tribunal, that Villa's construction has been carried out in 42 plots.



34. The conduct of appellant/developer in constructing the villas without securing necessary approvals from the competent authority and selling them to the complainants and others under false pretence that all requisite permissions had been obtained, is in blatant violation of the HMDA Act, 2008.

35. Coming to the violation under Section 11(4)(b) of the Act, the appellant/developer has stated in his counter that the developer has completed the construction of the villas and duly handed over possession of the respective individual villas to each of the complainants and that the respondents/complainants themselves admitted that under the registered sale deed, they had already taken possession of the same. Mere act of handing over physical possession does not equate to lawful possession under the Act. Section 11(4)(b) of the Act explicitly mandates that the promoter must obtain an Occupancy Certificate before offering possession to the allottees. The absence of this critical document renders the possession is not as per the provisions of the Act and demonstrates a clear violation of the Act.

36. In view of the aforesaid discussion, we do not find any justifiable ground or reason to interfere with the findings and directions issued by the learned Regulatory Authority in the impugned order. Accordingly,

the impugned order, dated 17.07.2025, passed by the learned Regulatory Authority in Complaint No.16 of 2024 is sustainable in law and is liable to be upheld.



37. In the result, the appeal is dismissed. 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 the 06th day of April, 2026.

Sd/-

A. SANTHOSH REDDY, J
(CHAIRPERSON)

Sd/-

P. PRADEEP KUMAR REDDY
(JUDICIAL MEMBER)

Sd/-

CHITRA RAMCHANDRAN
(ADMINISTRATIVE MEMBER)

TRUE COPY

[Handwritten Signature]

Registrar

Gsn.

Telangana State Real Estate Appellate Tribunal
Government of Telangana
HYDERABAD