BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 245 of 2025
Dated: 10th November, 2026

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

1. **Mohammed Usman, S/o Pollam Damodar Reddy**
R/o Villa No. 34, Golden County, Rampally Dayara, Keesara, Medchal Malkajgiri.

2. **Chilukuri Ramanajaneya Reddy, S/o.Kuradi Narasimha Kalkurra**
R/o. Villa 6 Golden county, Rampally Dayara, Malkajgiri Medchal District.

3. **Bapatla Tirumala Sesha Sayee, S/o. Vasanta Rao Bapatla**
R/o. Villa & Golden county, Rampally Dayara, Malkajgiri Medchal District.

4. **Dilip Reddy Sripathi, S/o Sripathi Ram Reddy**
R/o Flat No. 502, ACE Ratna Pearl Apartments, Road No. 3, Rocktown Colony, L.B. Nagar, Hyderabad 500068.

5. **B. Shaillaja, D/o B. Bhanu Prakash**
R/o H. No. 9-111/28, Road No. 6, Anjaniya nagar, Boduppal, Medchal.

6. **Kuradi Aravinda Kalkura, S/o K. Narasimha Kalkura**
R/o Villa No. 2, Golden County Rampally Dayara, Keesara, Medchal Malkajgiri 501301

7. **Sai Rani RPR Jangam. D/o Chalasani Venkat Rao**
R/o Villa No. 28, Patmati Sai Guda Rampally Dayara, Keesara, Medchal Malkajgiri 501301.

8. **AVLN Murthy, S/o ASRC Murthy**
R/o Villa No. 14, Golden County, Rampally Dayara, Nagaram, 501301.

9. **Kapil Sai Koushik, S/o N S Gopal**
R/o Villa No. 15, Golden County, Rampally Dayara, Nagara, 501301.

10. **Y.Suneetha, W/o.E.Akkaeshwar Rao**
R/o.Villa 19, Golden county, Rampally Dayara, Malkajgiri Medchal Dt.

11. **VVSS Sirisha, W/o. PSN Murthy (Complainant Withdrew)**
R/o. C703 Sansukruti township Pocharam Ghatkesar Mandal -500088 Hyderabad

12. **Srikantam Srinivasa Rao, S/o Srikantam Narasimha Rao**
R/o Villa No. 27, Golden County, Patamata Sai Guda, Ghatkesar 501301.

13. **Buddharaju Appala Satyanarayana Rao**

R/o. Villa No. 39, Padamati Sai Guda Rampally Dayara, Keesara, Medchal Malkajgiri 501301.

14. **Mahaboob Ali, S/o Shaik Madar**
R/o Villa No. 46, Padamati Sai Guda Rampally Dayara, Keesara, Medchal Malkajgiri 501301

15. **Bandi Srikanth, S/o Bandi Krishna**
R/o H. No. 12-7-133, 104, Habeeb Nagar, Moosapet, Kukatpally, Hyderabad Telangana India 500018.

16. **Yeedubilli Sreenivasa Chakravarthy, S.o Y. Sai Kumar**
R/o Villa No. 26, Golden County, Paramata Sai Guda, Ghatkesar 501301.

17. **Dr. C. Swaroopa, S/o C Venkatesham**
R/o Villa No. 132 A A, Golden County, Modi Builders, Ghatkesar, 501301.

18. **Rahul Kolluri, S/o.Lemuel Kolluri**
R/o. Flat no 202, Raghusree arcade, road no 6 opposite Vijaya hospital, Buddhanagar, Boduppal, Telangana.

19. **P. V. Indiara Ramana, S/o GVSSN Murthy**
R/o Villa No 21, Golden County, Padamati Sai Guda, Hyderabad 501301.

20. **Gudivada Dilip, S/o.GRK Gandhi**
R/o. o Villa No. 73, Golden County. Rampally, Dayara Rampally 501301.

21. **Janampeta Prithviraj, S/o Janampeta Satyanarayana (Complainant Withdrew)**
R/o. H.No. 3-14-12, Sai Ram Towers, 1st Floor, Srinivasapuram, ST. No. 2, Ramanthapur, Hyderabad-13

22. **K. Pratap Chand, S/o K. Gopi Chand**
R/o Villa No. 81, Golden County, Rampally, Dayara Rampally 501301.

23. **Sridevi Dodda, W/o.D.Srinivasa Reddy**
R/o. 401, Kranti Aster Eshwaripuri Colony, Sainikpuri, Hyderabad - 500094

24. **R. Venkateswara Rao, S/o Late R. Jagga Rao**
R/o Villa No 48, Golden County Rampally Dayara, Keesara, Medchal Malkajgiri 501301

25. **Manoranjan Das, S.o Late Chittaranjan Das**
R/o Villa No. 40, Golden County, Rampally Dayara Village, Keesara Mandal, Medchal 501301.

26. **Grace Dennes, D/o B. D.Vidya Sagar (Complainant Withdrew)**
R/o Villa No. 78, Golden County Rampally Dayara, Keesara, Medchal Malkajgiri 501301.

27. **Tummala Venkataramanaiah, S/o.Tummala Chinna Rao**
R/o. Villa No. 104, Golden County, Rampally Dayara, Keesara, Medchal Malkajgiri 501301

…Complainants

28. M/s. Golden County Phase I villa owners Maintenance Mutually aided Cooperative Society Ltd., represented by its Secretary.

…Impleaded Complainant

Versus

1. M/s. Modi Shelters Pvt. Ltd, represented by its Managing Director, Sourabh Satish Modi
having its registered address at 4th Floor, Ashoka HiTech Chambers, 8-2-120/76/1/B/16, 17 & 18, Road No.2, Banjara Hills, Hyderabad-500 034

2. M/s. Modi Builders & Infrastructures Private Limited, represented by its Managing Director, Sourabh Satish Modi
having its registered office at 8-2-120/76/1/B/16, 17 & 18, Road No.2, Banjara Hills, Hyderabad - 500 034

3. Sourabh Satish Modi, Managing Director, M/s. Modi Shelters Pvt. Ltd., and M/s Modi Builders & Infrastructures Private Limited.

…Respondents

The present matter filed by the Complainant mentioned herein above came up for hearing before this Authority in the presence of the Complainant in person, and the Respondent, and upon hearing the submissions of both 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 "RE(R&D) Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules") seeking appropriate relief(s) against the Respondents.

3. Before proceeding to examine the merits of the present complaint, this Authority deems it necessary to take note of the fact that certain Complainants have, in the course of these proceedings, withdrawn from the present complaint. Specifically, Complainant No. 11, Smt. VVSS Sirisha, W/o. PSN Murthy, Complainant No. 21, Sri Janampeta Prithviraj, S/o Janampeta Satyanarayana, and Complainant No. 26, Smt. Grace Dennes, D/o B. D. Vidya Sagar, have each categorically stated that they do not wish to proceed further with, or remain a part of, the present complaint. Accordingly, the complaints filed by the aforementioned three Complainants stand withdrawn and are disposed of as such. The present complaint shall, therefore, be proceeded with and adjudicated upon solely with respect to the remaining

Complainants, and all findings, observations, and directions issued hereinafter shall be applicable accordingly.

A. Brief facts of the case:

4. It was submitted by the Complainants that Respondent No. 1 (R1) and Respondent No. 2 (R2) were the developers and promoters of a real estate project named “Golden County,” situated at Survey Nos. 687/p and 688/p in Rampally Dayara Village, Keesara Mandal, Medchal-Malkajgiri District (near Jawaharlal Nehru Outer Ring Road, Padamatisaiguda, Telangana). The project commenced following layout permission issued by the Hyderabad Metropolitan Development Authority (HMDA) via Letter No. 105669/LO/Plg/ORRGC/HMDA/2013, dated June 14, 2017. Furthermore, the Telangana State Real Estate Regulatory Authority (TG-RERA) had issued Certificates of Registration for the project, specifically Project Registration No. P02200000551 for "Golden County Annex" dated March 27, 2019, and Project Registration No. P02200000242 for "Golden County" dated January 29, 2019.

5. The Complainants averred that the original draft layout approval, dated June 14, 2017, clearly stipulated that R1 and R2 were obligated to implement rainwater harvesting systems and establish a Sewage Treatment Plant (STP) in accordance with applicable environmental and civic regulations prior to the grant of an occupancy certificate. However, despite these clear obligations, R1 and R2 significantly failed to meet legal requirements and their contractual promises to the homebuyers. It was placed on record that although the Gram Panchayat (Panchayat Secretary) issued a Certificate of Completion on July 6, 2019, under Letter No. GPRD/19/2019, numerous on-ground deficiencies indicated that the project was not genuinely complete. A subsequent HMDA Inspection Report, dated January 10, 2022, seemingly granted approval without a thorough or transparent verification process, completely overlooking serious non-compliances with HMDA norms and the conditions outlined in earlier layout approvals. The Complainants submitted that this cursory clearance from HMDA appeared factually incorrect, was likely influenced by R1 and R2, and undermined the core objectives of both RERA and HMDA regulations aimed at ensuring quality, safety, and transparency.

6. The Complainants submitted photographic and documentary evidence demonstrating the extent of the builders' failure to uphold key assurances made during the marketing and sale of the units. These deficiencies included incomplete infrastructure, such as missing or improperly installed rainwater harvesting systems, inadequate sewage systems, and unfinished

amenities that remained unusable despite being prominently promised in official brochures and buyer agreements. It was stated that the Complainants had repeatedly brought these issues to the attention of the Respondents in several meetings; however, no significant progress toward a resolution was made.

7. It was respectfully submitted that the facts and documents clearly illustrated that R1 and R2 intentionally misrepresented the nature of the development and the transactions. Publicly, R1 and R2 marketed the project as a "gated community," promising fully constructed "luxury villas" complete with all associated amenities. This marketing strategy led prospective purchasers to believe they would be handed completed villas along with the promised amenities. In reality, however, R1 and R2 compelled buyers to enter into a deceptive two-tier arrangement: first, the sale of individual plots with semi-constructed houses, followed by a separate, mandatory construction contract to complete the villas. The Complainants argued that this practice constituted a clear bait-and-switch scheme. While glossy brochures, model houses, and promotional materials depicted high-end villas, the actual contractual documentation signed by the purchasers reflected an entirely different commercial structure. Such deceptive conduct directly violated the legal obligations imposed on promoters under the Real Estate (Regulation and Development) Act, 2016 (RERA), particularly Section 12, which mandated truthful advertising. This scheme nullified the reasonable expectations of the buyers and frustrated their statutory rights to a fair and transparent transaction, amounting to fraudulent inducement and misrepresentation.

8. Detailing the severe delays and unfulfilled promises regarding the clubhouse and associated amenities, the Complainants submitted that while the villas were occupied in the year 2021, R1 and R2 completely failed to deliver the promised clubhouse and sports facilities. It was placed on record that the homeowners were given explicit, categorical assurances that these critical amenities would be fully functional within six months of occupation. However, as of November 26, 2024, after over three years, there had been absolutely no significant progress. The Complainants averred that this inordinate delay severely undermined the trust placed in the project.

9. Highlighting the financial magnitude of this failure, it was submitted that over 85% to 90% of the villas in Phase 1 had already been sold. For these amenities, each homeowner had contributed an exorbitant sum of approximately Rs. 25 lakhs. More specifically, an amount of Rs. 5,00,000 was collected individually from each Complainant between the years 2019 and

2023, expressly designated for the completion of the clubhouse and amenities. The homeowners reasonably expected that the infusion of these substantial funds would expedite the delivery of the sports facilities, including a fully equipped gym and a swimming pool. Instead, there was no observable progress on these structures. It was alleged that the developers deliberately diverted these collected resources to focus on constructing and finishing unsold villas, prioritizing their own commercial interests over their contractual obligations to existing buyers. Furthermore, the Complainants raised grave concerns regarding R1 and R2's unilateral decision to physically retain the ground floor of the clubhouse. It was argued that this retention directly contradicted the explicit promise of collective ownership of the clubhouse by the homeowners, thereby raising legitimate apprehensions regarding the potential levy of additional, unauthorized fees in the future.

10. Addressing the failure to allocate proper park space and the egregious land violations committed by the Respondents, the Complainants submitted that the original approved plan mandated the allocation of 3 acres of land specifically for park space. In blatant contravention of this requirement, the Respondents designated mere leftover, fragmented patches of land as parks, effectively cheating the residents out of the promised green areas. It was pointed out that the only designated park was unlawfully located within a public road space, rendering it too small and fragmented to be utilized effectively by the community. To compound this violation, R1 and R2 illegally constructed a septic tank and a water tank directly within these designated common green spaces, thereby further drastically reducing the available park area. It was also averred that these fragmented areas entirely lacked any form of landscaping or plantation by the Respondents, rendering them barren.

11. The Complainants further submitted that the existing community spaces were not only poorly maintained but dangerously hazardous, posing severe threats to the well-being of the residents. The children's park was described as unsafe and wholly neglected. It featured dangerously low walls and inadequate fencing, which readily permitted unauthorized access and the intrusion of wildlife. The play equipment installed therein was stated to be rusted, damaged, and entirely unsafe for children. Crucially, the unauthorized placement of the makeshift septic tank in close proximity to the children's area posed acute health and sanitation risks. Furthermore, the community's gardens were completely overgrown and unmaintained, transforming them into active breeding grounds for snakes, creating a perilous environment. It was also placed on record that a promised hilltop view area was rendered completely

inaccessible due to severely neglected pathways and a total lack of proper lighting, while the roadside pavements throughout the project remained poorly maintained and dilapidated.

12. The Complainants alleged severe financial misappropriation. According to the RERA Registration Certificate, the promoter was required to deposit seventy percent of the sales proceeds into a separate account for construction and land costs. However, R1 and R2 used these funds for other project aspects in strict violation of this requirement.

13. Highlighting further sanitation infrastructure failures, the Complainants submitted that the builder's filings were a deliberate misrepresentation, violating Sections 11 and 12 of RERA. By failing to construct an adequate Sewage Treatment Plant (STP) and instead allowing a makeshift septic tank to pollute the children's area, R1 and R2 demonstrated a troubling lack of accountability for public health. Additionally, a common drainage line was routed in segments across individual plots sold to purchasers without prior disclosure. This posed severe risks, potentially requiring the excavation of private property for repairs, exposing homeowners to unforeseen liabilities and legal disputes.

14. Regarding security, it was pleaded that despite being marketed as a secure "gated community," the project severely lacked a proper boundary wall. Photographic evidence showed that incomplete walls and low fencing were entirely inadequate barriers against surrounding farmland, leaving the property vulnerable to trespassers and stray animals. The main entrance, designed for nearly 413 villas, was inadequate, causing traffic congestion and accident risks. Security gates were poorly constructed and easily bypassed, while the CCTV system was ineffective, with cameras obstructed by vegetation and lacking internet connectivity for remote monitoring. The Keesara Police Station had even documented these security issues. Consequently, homeowners were forced to organise neighbourhood watch groups and request increased patrols, carrying the burden of site security themselves.

15. It was also submitted that the builder falsely claimed in the RERA application that stormwater drains and rainwater harvesting systems were completed. In reality, stormwater was merely diverted into open land through makeshift holes, escalating flood risks.

16. Detailing specific deviations from the HMDA layout approval norms (Letter No. 105669/LO/Plg/ORRGC/HMDA/2013), the Complainants submitted that the drainage setup was poorly constructed with disconnected channels, leading to flooding. The promised park spaces were merely overgrown patches of land, falling drastically short of HMDA standards.

17. Water and electricity mismanagement was also strongly contested. It was averred that an inadequate single water tank of 107,000 litres was provided for both Phase 1 (137 villas) and Phase 2 (276 villas), whereas 800,000 litres were actually required for full occupancy. The mandated three-layered water tank with a water softener was not installed. Water was diverted to construction sites, and unhygienic tanks posed health risks. Furthermore, R1 and R2 misused electricity by drawing common power for ongoing construction and forcing the Complainants to cover the costs under streetlight charges. Many villas lacked individual meters, inflating expenses due to reliance on sub-meters. Despite promising solar LED streetlights with zero-cost maintenance, regular LED lights were installed, resulting in higher electricity bills.

18. The Complainants submitted that the overall construction quality and materials were substandard, leading to immediate post-occupancy issues. Specific civil, electrical, and plumbing defects included: water seepage; wall cracks; poorly laid tiles producing hollow sounds; poor-quality wiring causing power fluctuations; inadequate underground wiring failing within a year; incomplete electrical and earthing installations; reversed electricity affecting water supplies; low-quality bathroom products; incomplete grouting causing seepage; and missing overhead tank ball valves. These issues were recorded in the complaint register since 2022.

19. Finally, the Complainants submitted that the Respondents engaged in retaliatory and divisive tactics. R1 and R2 sought to divide the homeowners by threatening certain residents and encouraging the creation of a separate, parallel association under their influence. This tactic was designed to foster confusion, deter residents from voicing legitimate complaints due to fear of retaliation (including threats of utility disconnection and sewer sabotage), and weaken their collective bargaining power. The Complainants averred that these actions demonstrated absolute bad faith, discouraged accountability, and violated basic consumer rights, thereby requiring urgent intervention by the Hon'ble Forum to protect their health, safety, and rights.

B. Relief(s) Sought:

20. Accordingly, the Complainant(s) sought the following reliefs:

i. *Direct a thorough inspection by this Hon'ble RERA and take strict action against the builder for fraudulent claims as per RERA Act and Regulations made thereunder, specifically but not limited to including Sections 12 and 61.*

ii. *Direct the Respondents to complete all the promised amenities, sports facilities and pending works as advertised/marketed for Golden County, forthwith, and complete all works within a period of 2 months.*

iii. *Direct the Respondents to pay compensation to the Complainants for the false representation of the project as a gated community and for all the hardships they have faced and loss caused to them.*

iv. *Direct the Respondents to stop the false marketing of the Golden County project.*

v. *To direct the Respondents to pay interest at the rate of 18% per annum on the amounts collected from the Buyer(s) towards amenities, from the respective dates of payment until the actual and complete fulfilment of the promised amenities, in accordance with the terms of the agreement and statutory obligations. The Respondents, having collected such amounts in advance, have failed to complete the amenities within the agreed timeline, thereby causing undue hardship and financial loss to the Buyer(s). In the interest of justice, equity, and fair play, the Respondents should be held liable to compensate the Buyer(s) for the delay in providing the amenities by paying interest on the collected amounts until the full and final completion and operationalization of the said amenities.*

vi. *Direct the Respondents to handover the clubhouse land to the Homeowners Association at the time of handover. Additionally, handover the floor owned by the builder into the association name for all future developments.*

vii. *Direct the Respondents to provide for additional water tanks within the layout to accommodate 400+ villas and also provide for Municipal drinking water.*

viii. *Direct the Respondents to provide the promised solar LED lights in the common area.*

ix. *Direct the Respondents to obtain the Occupancy Certificate from the local Municipality for all individual villas of Golden Country Phase I, where possessions are handed over.*

x. *And pass such other order or orders as this Hon'ble Court may deem fit and proper in the circumstances of the case.*

C. Counter filed by the Respondents:

21. A comprehensive Counter Affidavit and Written Objection was filed on behalf of the Respondents. At the very outset, the Respondents submitted that the complaint was entirely

defective and not formulated in accordance with the provisions of the Real Estate (Regulation and Development) Act, 2016, or its corresponding Rules. A preliminary objection was raised that the complaint completely lacked proper legal verification by any of the Complainants, thereby rendering it defective and liable for outright dismissal in limine. Furthermore, it was forcefully asserted that the Telangana Real Estate Regulatory Authority possessed no jurisdiction whatsoever to entertain the complaint, as the myriad of reliefs sought by the Complainants fell entirely outside the adjudicatory scope and statutory mandate of the Authority.

22. The Respondents categorically and vehemently denied all allegations contained in the complaint, characterizing them as false, baseless, and motivated entirely by malice and a desire for undue financial gain. It was alleged that the Complainants had deliberately projected false information and actively suppressed material facts with the mala fide intention of misleading the Hon'ble Authority. A specific and serious accusation was levied against Complainant No. 1, Mr. Usman, who was described as a persistent source of disruption within the community. It was submitted that Mr. Usman had utilized undue pressure and orchestrated a campaign of misinformation to improperly influence 27 other Phase-I buyers into signing the complaint without allowing them to fully understand its legal and practical implications. The Respondents brought to the record that, upon realizing the true nature of the proceedings, several of these signatories had expressed a clear desire to withdraw their names from the complaint. Additionally, the Respondents raised a formidable preliminary objection regarding the defect of non-joinder of necessary and proper parties, noting that statutory and governmental bodies such as the Hyderabad Metropolitan Development Authority (HMDA), which had approved the layouts and infrastructures, were deliberately not impleaded.

23. Detailing the absolute legitimacy of the project, the Respondents clarified that the real estate venture was lawfully developed across Survey Nos. 665/P, 687/P, and 688/P at Rampally Dayara Village, Keesara Mandal, strictly after obtaining all requisite statutory approvals and clearances from the competent authorities. The project was structured and executed in two distinct phases: Golden County (Phase-I) and Golden County Annexe (Phase-II). Both phases possessed valid permits and corresponding RERA registrations, bearing registration numbers P02200000242 for Phase-I and P02200000551 for Phase-II. The Respondents emphasized their robust and unblemished reputation as one of Hyderabad’s oldest and most reliable builders, widely recognized for their timely delivery, transparent business dealings, and strict adherence to sanctioned plans. Consequently, it was argued that the complaint was fabricated and filed

solely as an instrument of harassment against the promoters, designed to extract unlawful gains and evade contractual obligations.

24. Addressing the Complainants' allegedly false claims regarding project awareness and documentation, the Respondents submitted that all the Complainants were highly educated, financially prudent individuals who were fully aware of the project's exact nature. It was averred that the Complainants knew unequivocally that "Golden County" was a plotted development project approved by the HMDA. The claim of ignorance regarding the HMDA status, the nature of the layout, or the phased nature of the project was vehemently denied as a blatant falsehood. It was placed on record that many of the Complainants had availed substantial home loans from various banking institutions, which inherently required conducting exhaustive legal verification and due diligence prior to sanction. The Agreements of Sale and Construction executed between the parties explicitly and unambiguously stated the project's plotted nature, the specifics of the layout approvals, and the interlinked structure of the land and subsequent house development. The Respondents asserted that the specific clauses enshrined in the agreements and registered sale deeds definitively confirmed that all buyers possessed full knowledge and had provided their informed, voluntary consent to the project's structure.

25. Regarding the handover of possession, maintenance obligations, and representations of a "gated community," the Respondents submitted that every single Complainant had signed explicit possession and satisfaction letters at the exact time of property handover. These executed documents conclusively confirmed that the Complainants harbored no grievances and were fully satisfied with the quality of construction, the state of the property, and the amenities provided. It was averred that a highly nominal maintenance fee of Rs. 2/- per square foot, subject to a standard 5% annual escalation, was contractually fixed. However, the Complainants actively and collectively resisted the payment of these legitimate dues and deliberately avoided forming an owners' association as mandated under the RERA norms, solely to escape their financial responsibilities. The allegations of fraudulent representation regarding a "gated community" were firmly and completely denied. It was submitted that the sanctioned layout and the executed agreements explicitly disclosed the exact nature of the layout and the scope of the shared amenities. The Complainants' claim that there was only a "single park on a road" was termed entirely false and fabricated, as the approved layout manifestly included multiple designated park areas. The Respondents characterized these misrepresentations as deliberate, malicious, and highly defamatory.

26. The Respondents strongly refuted the baseless allegations concerning the clubhouse and its final sanctions. The Complainants' claim that the clubhouse was illegally constructed on Panchayat land was dismissed as entirely unfounded. It was submitted that the clubhouse was an integral part of the sanctioned layout, built lawfully on land strictly reserved for social infrastructure in accordance with government norms. Relying on G.O. Ms. No. 105 and G.O. No. 470, it was clarified that 2.5% of the layout was lawfully earmarked for social infrastructure, which was legally saleable by the developer for such designated purposes. The clubhouse was described as fully constructed, operational, and equipped with comprehensive facilities, including a gymnasium, a cafeteria, and a television room. Furthermore, the master plan road and the green median were developed in strict compliance with the mandates of GO No. 33. All development works for Phase I were completed in their entirety, and even Phase II had its major amenities ready, which the residents of Phase I were already actively utilizing. The Respondents submitted comprehensive photographic and documentary evidence, encompassing possession letters and occupancy details of over 27 villa owners, to conclusively prove the phased occupation of the project and the availability and functionality of the amenities at the time possession was granted.

27. Furthermore, the Respondents clarified that the project possessed valid building sanctions, specifically citing Proceedings No. GPRD/60/2019-20 and 247/BP/2023. Amenities including the designated parks, stormwater drains, and open-air gyms were meticulously constructed exactly as per the sanctioned layout and subsequently handed over. It was asserted that the Complainants were severely misusing the RERA platform for their own personal, ulterior motives namely, inciting the non-payment of maintenance fees and obstructing the lawful usage of facilities by others, thereby disrupting peaceful community management. The development was being occupied gradually, a normal occurrence due to its suburban nature and post-COVID market behaviors, but the site was unequivocally fully developed and completely habitable.

28. Addressing the issue of sanitation and sewerage infrastructure, the Respondents termed the allegations of inadequate sewerage as baseless, legally ignorant, and highly misleading. The entire project was built in strict accordance with the final HMDA-approved layout, featuring a properly constructed sewerage system uniquely suited for the region's hilly terrain. The natural gradient of the land allowed for smooth and highly effective drainage. It was submitted that septic tanks were constructed in full compliance with the National Building Code (NBC) and HMDA norms. The Respondents clarified that there was absolutely no

statutory or regulatory requirement for Sewage Treatment Plants (STPs) in such open plotted layouts, pointing out that thousands of similar projects across the state functioned perfectly without them. The Respondents further pointed out the Complainants' contradictory claims such as asserting there was only one park while simultaneously raising grievances about a specific "children's park" as definitive proof of their inconsistent, fabricated, and false narrative.

29. The allegation of "gross negligence" regarding security and boundary infrastructure was wholly and categorically denied. It was submitted that every single villa was properly compounded, boundary walls were firmly in place across the perimeter, and extensive CCTV surveillance had been installed across the site to monitor movement. Security personnel were deployed round the clock to ensure safety. The Respondents argued that the Complainants' sudden demands for higher boundary walls or sophisticated solar fencing were arbitrary and legally unenforceable, as no such commitment or obligation existed within the four corners of the executed agreements. It was averred that despite steadfastly refusing to pay their accrued maintenance dues, the Complainants continued to raise extravagant demands that fell completely beyond the scope of the promoter's obligations and RERA's regulatory jurisdiction.

30. Regarding the community spaces and ongoing maintenance, the allegations of hazardous or poorly maintained areas were termed entirely unsubstantiated and malicious. The Respondents submitted that they had continued to maintain the project to a high standard despite incurring a massive financial loss of nearly Rs. 14 lakhs. It was argued that this unsustainable financial burden was caused directly and exclusively by the Complainants' orchestrated failure to pay the agreed maintenance charges, which were already the lowest available in the market. It was forcefully argued that the Complainants could not lawfully demand continued, uninterrupted services while simultaneously failing to contribute to the costs of those very services. Detailed records of outstanding dues and the minimal payments received were submitted to the Authority.

31. The Respondents firmly denied any deviation whatsoever from HMDA norms, stating that the project was developed strictly and uncompromisingly in accordance with the final layout approvals. Claims suggesting undue influence over the HMDA were dismissed as baseless, scandalous, and defamatory. The HMDA's issuance of final approval inherently confirmed compliance with all statutory requirements and engineering standards. The layout included all mandated infrastructure, specifically including dual water sumps with a massive

capacity of 2.5 lakh litres each, as well as individual overhead tanks for the villas. The Complainants' specific claim regarding a purported requirement for "three-layered water tanks with softeners" was declared to be a complete fabrication, as no such technical requirement existed in any HMDA regulation for open plot layouts. Attempts by the Complainants to malign statutory authorities through such falsehoods were urged to be viewed with utmost seriousness by the Hon'ble Authority.

32. On the critical issues of Property Tax and regulatory compliance, it was submitted that the vast majority of the residents had already completed their property tax assessments with the local municipal authorities, which served as undeniable proof that the homes were complete, structurally sound, and entirely fit for human occupation. It was specifically noted that the main complainant's own home had also been duly assessed for property tax, thereby completely disproving his own claims of the project's incompletion. Furthermore, explaining the statutory framework regarding Occupancy Certificates, it was submitted that as per the TS-bPASS Act, there was absolutely no requirement for an Occupancy Certificate (OC) for plots measuring under 200 square meters, and plots measuring between 200 and 500 square meters fell under the self-certification norms. Therefore, alleging a lack of an OC for such units was legally ignorant.

33. The Complainants' allegations of electricity theft and water supply mismanagement were deemed absurd and vexatious. It was submitted that the common premises and utilities were maintained by the Respondents themselves, with electricity meters installed transparently to track usage. Water was adequately and reliably sourced from multiple bore wells drilled on site. The Respondents argued that owners who willfully refused to pay their maintenance fees had no equitable or legal right to demand uninterrupted, premium services. The Respondents highlighted that they had continued to provide these essential services purely out of goodwill, despite sustaining substantial financial losses and facing relentless non-cooperation from a coordinated group of plot owners.

34. Finally, the Respondents submitted that the myriad of allegations regarding quality issues and inadequate park spaces were directly and explicitly contradicted by the signed possession letters executed by the Complainants themselves. These letters clearly and unambiguously indicated the Complainants' full satisfaction with the property's condition at the time of taking over. The entire complaint was characterized as a targeted, bad-faith effort designed to avoid the payment of legitimate maintenance arrears and to suppress the formation

of a democratic, representative association that would require members to share financial responsibility.

D. Rejoinder filed by the Complainant:

35. A Rejoinder Affidavit was filed on behalf of the Complainants in response to the reply and counter filed by the Respondent. The Complainants respectfully submitted their rejoinder, categorically denying the contentions raised by the Respondent in toto, unless specifically admitted therein.

36. At the outset, the Complainants categorically denied the baseless and untenable objections raised by the Respondent. It was submitted that the complaint was filed strictly in accordance with the provisions of the Real Estate (Regulation and Development) Act, 2016 (RERA) and the applicable Rules. The Respondent's contention that the complaint was not verified or was procedurally defective was termed wholly misconceived. The Complainants averred that any technical defect or oversight in verification was a curable irregularity that did not render the entire complaint liable for rejection. Relying on established judicial principles that substance must prevail over form, it was argued that the Hon'ble Authority possessed ample powers to permit the rectification of such minor procedural lapses in the interest of justice. The allegation that the Hon'ble Authority lacked jurisdiction was also deemed unfounded, as the dispute pertained to a registered real estate project falling squarely within the territorial and subject-matter jurisdiction of the Authority under Section 31 of the Act. The vague accusations of falsehood and suppression were denied as mere attempts to deflect from the Respondent's own breaches.

37. Addressing the preliminary allegations, the members of the society denied all accusations. Specifically, the allegations characterizing Mr. Usman as a disruptive influence were termed unfounded and an attempt to mislead the case. It was placed on record that each Complainant had provided consent through an authorization letter to one of the Complainants, Mrs. Sai Rani RPR. Furthermore, it was submitted that an Association had since been formed, and many residents were members of the Society representing them.

38. The Complainants strongly denied the Respondent's allegation that they had made baseless and malicious accusations against HMDA and other statutory authorities. It was submitted that the references made in the complaint were based on documented facts and the Respondent's own disclosures. Pointing out lapses regarding delayed possession, incomplete infrastructure, or improper approvals constituted an assertion of legally protected consumer

rights under RERA, not defamation. It was averred that the Respondent used this to divert the Hon'ble Authority from the core issues.

39. It was emphatically submitted that the Respondent conspicuously failed to rebut the core findings of non-compliance with statutory and contractual obligations. Instead of addressing the specific instances of delay, lack of promised amenities, and deviations from sanctioned plans, the Respondent selectively cited clearance certificates allegedly issued by HMDA and the Gram Panchayat. The Complainants respectfully submitted that these local clearances did not substitute the mandatory Occupancy Certificate (OC) and Completion Certificate (CC) strictly required under Section 2(q) and Section 11(4)(b) of the RERA Act. Without such compliance, the project could not be deemed complete, nor could possession be lawfully enforced. The Respondent failed to place any documentary proof of completing the project per the sanctioned layout and Agreement for Sale (AOS). It was reiterated that Section 14 mandated adherence to sanctioned plans, and deviations without consent constituted violations. Thus, the reliefs sought, including refund, compensation, and interest, fell squarely within the Authority's jurisdiction under Sections 31 and 18.

40. The Complainants highlighted an admitted fact: the project was developed in two separate phases, each possessing distinct statutory permissions and separate RERA registration numbers. Despite this, the Respondent improperly provided common utilities and amenities for both phases contrary to the sanctioned approvals. It was averred that none of the executed documents, the AOS, Agreement of Construction (AOC), or Sale Deed, mentioned that amenities would be shared between purchasers of both phases. Therefore, generalising limited and quantifiable amenities (such as water tankers, drainage systems, etc.) of Phase 1 across both phases was illegal and unsustainable.

41. The Complainants denied the assertion that infrastructure works were fully completed to HMDA's satisfaction or executed as per sanctioned plans. The mere presence of residents did not absolve the Respondent of its RERA obligations. It was submitted that the photographic evidence provided by the Respondent was selective and failed to reflect the overall status of the incomplete or defective infrastructure, which was supported by independent site inspections and resident complaints.

42. The Complainants stood by their assertions, denying insinuations of acting with "unclean hands." It was clarified that the fact that some allottees availed home loans after bank due diligence did not preclude genuine grievances from arising later due to the Respondent's

delays, deficiencies, or non-compliance. Reliance on banking approvals did not absolve the promoter of statutory RERA obligations. The Complainants clarified that while the two-agreement structure (land sale and construction) might have been part of the project design, it was not depicted in the brochure. Furthermore, the Completion Certificate from the Gram Panchayat was not a substitute for the mandatory OC for handing over possession.

43. The Complainants forcefully denied the allegations of suppression. It was argued that the real suppression was committed by the Respondent, who lacked transparency regarding stage-wise development timelines, clear delivery dates, and individual sanctions. The Complainants submitted that HMDA's technical approval did not override consumer protection under RERA. Clauses in possession or satisfaction letters could not be interpreted to deny allottees their legal remedies under RERA or bar complaints regarding subsequently discovered discrepancies or undelivered infrastructure. Standard clauses in sale deeds did not override statutory entitlements under consumer welfare legislation.

44. The Complainants denied approaching the Authority with mala fide intent. Reference to HMDA was made solely because the Respondent relied on HMDA approvals as a defense. The Complainants pointed out that despite such approvals, on-ground amenities regarding waste management and water conservation were incomplete or non-conforming. It was denied that the Complainants were unwilling to form an association or pay maintenance. The real issue was the absence of proper facilities and transparency. RERA mandated the promoter to maintain the project until handover to the association; demanding maintenance charges while denying accountability violated the spirit of the Act. Section 18 of RERA provided that promoters were liable for compensation even post-possession for structural or service-related deficiencies.

45. The Complainants strongly denied the defamatory allegations of filing the complaint to "extort money" or "evade maintenance." The grievances were based on the non-fulfillment of infrastructure promises, misrepresentation of the project as a fully-developed "gated community," and an incomplete handover. The term "gated community" carried specific expectations: a secure compound, centralized security, clubhouse, shared amenities, and a legal framework for common areas. The failure to deliver these constituted direct violations of Section 12 (misleading advertisements) and Section 14 (adherence to sanctioned plans) of the RERA Act. The Complainants had a legitimate expectation based on these representations.

46. It was submitted that the Respondent deliberately misconstrued and selectively interpreted Government Orders to mislead the Authority. Regarding the Respondent's claim that there were multiple parks in the respective phases, the Complainants averred that the core issue was that these parks remained undeveloped, inaccessible, and unfit for use, constituting a clear breach of RERA obligations. Mere building sanction orders did not prove lawful construction. The discrepancies regarding the clubhouse allegedly being constructed on Gram Panchayat land required scrutiny.

47. The Complainants rejected the insinuation of malafide intent. The assertion that the project was a fully HMDA-approved layout suitable for residential use was disputed due to specific concerns regarding adherence to sanctioned plans. Consequently, the Complainants prayed that the Hon'ble Authority appoint a Third-Party Engineer under Section 34 of the RERA Act to evaluate the completed and pending works, as well as violations of approved layout norms and government orders. Mere declarations of compliance and reliance on local authority certificates were insufficient; the Complainants prayed for an independent expert or intermediary under Section 33 of the RERA Act to conduct a comprehensive inspection and audit of the project site.

48. The Complainants denied the claim that the clubhouse was fully constructed and operational. The photographs produced were insufficient evidence. They prayed for an independent expert to submit a detailed report on its usability. The Complainants also denied the assertions regarding commercial areas and clubhouse management, stating these were not transparently disclosed (including GST, trade licenses, and maintenance). The contradictory stance of the Respondent claiming the clubhouse land fell under Gram Panchayat jurisdiction while simultaneously asserting its usage as a common amenity raised serious legality concerns.

49. The Complainants denied allegations of obstruction, fee defaults, and misuse of amenities. The reliance on vague claims and selective photographs was disputed. Technical and environmental concerns regarding sewerage, drainage, and natural terrain flow required independent expert verification. The Complainants demanded documentary evidence proving all statutory approvals, including environmental and sewerage clearances, had been obtained. The issue of maintenance charges could only be discussed after transparency in delivering promised amenities was established.

50. Detailing specific responses to the additional claims, the Complainants advanced the following comprehensive submissions:

Regarding Maintenance Charges and Owner Cooperation: The Complainants acknowledged the contractual clause stipulating maintenance charges at Rs. 2/- per square foot along with a 5% annual escalation. However, it was vigorously contended that the builder had entirely failed to facilitate the formation of a functioning Resident Welfare Association (RWA), despite repeated and persistent requests from the residents. It was argued that a duly formed RWA was the only lawful and appropriate entity to manage and collect such maintenance funds. The Complainants averred that they had continuously urged the builder to expedite the handover of maintenance responsibilities to the RWA, but this essential transition had been unreasonably and deliberately delayed. The allegation that the non-payment of dues was a deliberate attempt to evade financial responsibility was strongly denied. It was submitted that numerous owners had rightfully withheld payments, specifically citing poor service quality, the glaring incompleteness of promised amenities, and a complete lack of transparency regarding the utilization of collected funds. The builder's issuance of legal notices and threats of utility disconnection were characterized as coercive and intimidating tactics that failed to address the root issues of accountability and fair maintenance management. Consequently, the Complainants demanded a comprehensive and transparent audit of all maintenance accounts and insisted upon the proper formation of an inclusive RWA before any further payments could be resumed.

Regarding Allegations on Amenities and Infrastructure: It was submitted that several explicitly promised amenities, encompassing adequate parks and sports facilities, remained severely incomplete or failed to adhere to the agreed-upon specifications. The Complainants argued that their demands for redesign and improvement arose from genuine, pressing concerns regarding the inadequacy of recreational spaces and the stark lack of proper, safe facilities for children and elderly residents. While acknowledging that the solar LED streetlights and the basic water supply were functional to some degree, it was averred that their quality, reliability, and overall coverage were grossly insufficient to meet the community's current residential needs. Furthermore, the solar backup system remained entirely unconnected, thereby negating its intended benefits and rendering it useless. It was forcefully argued that the Respondents' mere reliance on obtaining an HMDA approval did not absolve them of their continuing obligation to improve amenities in direct response to the residents' legitimate and documented grievances.

Regarding Quality and Possession: The Complainants submitted that the Letters of Possession, which were signed by the owners at the time of handover, could not be weaponized

by the builder to indefinitely bar legitimate and lawful complaints regarding latent defects or severe quality issues that were only discovered post-possession. It was brought to the Authority's notice that many owners were practically compelled to sign these documents under immense pressure, without possessing full awareness of the structural defects or the incomplete nature of the work, which only surfaced well after occupation. In light of these latent deficiencies, the Complainants firmly requested independent, third-party quality inspections and the immediate rectification of all outstanding defects in strict accordance with established consumer protection norms.

Regarding Property Tax and Occupancy Certificates: It was submitted that the Complainants had diligently complied with property tax assessments wherever it was possible to do so. It was averred that the delays and confusion surrounding these statutory compliance matters arose primarily due to the builder providing incomplete documentation and demonstrating a severe lack of support in the crucial process of obtaining Occupancy Certificates. The Complainants argued that the builder was statutorily obligated to actively assist in providing the necessary documents and to facilitate compliance, rather than unilaterally shifting the entire burden and responsibility onto the individual homeowners.

Regarding Allegations of Electricity Theft and Water Mismanagement: The Complainants strongly and categorically denied any involvement whatsoever in the alleged electricity theft. It was submitted that any such irregularities ought to be transparently and thoroughly investigated by a neutral, competent authority rather than being used as a baseless accusation against the residents. Furthermore, grave and persistent concerns remained regarding the adequacy and proper management of the water supply. It was pointed out that the sharing of critical water resources between different phases of the project, coupled with the ongoing usage of water for construction purposes, had severely and negatively impacted the residential water supply, leading to significant hardship for the inhabitants.

Regarding the Response to Requests for Additional Reliefs: The Complainants asserted that their claims regarding false marketing stemmed directly from the stark and undeniable discrepancies between the project features promised at the time of sale and what was ultimately delivered on the ground; it was urged that these discrepancies must be subjected to an independent review. It was further submitted that the handover process for the clubhouse and the builder's allocated floors must be clarified in strict alignment with the executed agreements, accompanied by clear, enforceable timelines and documented commitments. The Respondents'

blatant refusal to install Sewage Treatment Plants (STPs) was strongly condemned as contradicting sustainable environmental practices and local municipal expectations. The residents' ongoing concerns regarding sanitation hazards and foul odours were stated to be entirely valid and required immediate remediation utilising modern, low-impact technologies, strictly as promised and in accordance with the guidelines of the statutory approvals. The Complainants vehemently denied any intent to defame or extort the builder, asserting that all their actions were driven purely by the pursuit of their lawful rights, transparency, and accountability. The Respondents' allegations that the Complainants had caused a loss of sales were dismissed as unsubstantiated; it was argued that any decline in sales was solely and directly linked to the unresolved structural issues, the builder's prolonged delays, their persistent non-compliance, and the resulting negative publicity.

51. Ultimately, the Complainants urged the Authority to ensure that any collection of maintenance dues was conducted fairly, transparently, and inextricably linked to the actual services rendered, while prioritizing the immediate formation of a democratic and representative owners' association to enable joint decision-making and resolve the ongoing conflicts.

E. Reply to Show Cause Notice filed by Respondents

52. It was submitted through a formal response dated the sixth of February, 2026, at Hyderabad, by the Authorised Signatory for M/s. Modi Shelters Pvt. Ltd. and the Managing Director for M/s. Modi Builders & Infrastructure Pvt. Ltd., addressed to the Hon'ble Secretary of the Real Estate Regulatory Authority, Telangana. The submission was made in response to a show cause notice dated the twenty-fourth of January, 2026, which was received by the respondents on the fourth of February, 2026, in connection with Complaint No. 245/2025/TG RERA filed by Mr. Mohammed Usman and twenty-six others regarding the project Golden County bearing RERA No. P02200000242. It was submitted that the respondents were surprised to have received the said notice, as they maintained there was no violation of the provisions of the Real Estate (Regulation and Development) Act, 2016, in respect of their Golden County Project. It was averred that the entire project details relating to the sale of plots with villas were duly filed before the RERA Authority at the time of application and that the same was approved after due scrutiny at four levels by the RERA authorities. It was further submitted that the respondents were already answering parties in Complaint No. 245/2025 and that the specific query raised in the present notice had already been duly answered by them in

their earlier filings dated the fifth of February, 2025. They expressed surprise at receiving the show cause notice without the Authority waiting for a decision in the matter, and they prayed that the notice be read as part and parcel of that response, enclosing a copy of the submissions dated the fifth of February, 2025, and requesting that the decision in the said complaint be awaited. The respondents stated that they were law-abiding citizens and reputed builders who had never deviated from the applicable rules or regulations, and they sought to place on record relevant facts pertaining to the RERA registration.

53. It was pointed out that prior to the filing of the present complaint, some of the complainants connected with a local politician, Mr. Gadi Ramu, had earlier filed Writ Petition No. 7735 of 2023 before the Hon'ble High Court of Telangana, raising similar allegations with respect to the Golden County Project. It was submitted that after detailed consideration of the pleadings, arguments, and material placed on record, the Hon'ble High Court dismissed the said writ petition, imposing costs of one lakh rupees on the writ petitioner. A copy of the dismissal order was filed along with the response for the perusal of the Authority, noting that the filing of the present complaint was a direct consequence of that dismissal. It was further brought to the Authority's notice that the Hyderabad Metropolitan Development Authority (HMDA) had, on several occasions, addressed the local authority stating that the issuance of house sanctions fell within the jurisdiction of the concerned local authority as per prescribed procedures. It was submitted that in the said writ petition, all issues relating to sanctions, grid roads, and house permissions by the local authority were specifically raised and adjudicated upon, and the ruling of the Hon'ble High Court had attained finality. The respondents argued that since the same issues were now being raised again before the Authority, it was impermissible in law, as HMDA was a party to the said proceedings and had categorically stated that the layout in question was in accordance with prescribed norms and that necessary sanctions were duly obtained from the competent local authority.

54. It was submitted that the layout sanction was granted by HMDA and individual house or building permissions were issued through the BuildNow or TS-bPASS portal or by the concerned local authority, as applicable. It was detailed that obtaining RERA registration involved a rigorous multi-level scrutiny process including detailed documentary, legal, technical, and project-related verification, as well as financial compliance checks, culminating in the approval of the Chairman of RERA. It was submitted that every developer was required to file Form B along with prescribed documents disclosing all material facts of the project, which remained visible at all times on the RERA portal and were duly verified and approved

by the competent authority. In the present case, it was averred that all particulars of the project, including the sanction process relating to individual houses, were duly disclosed and submitted in Form B. It was stated that after scrutiny, a shortfall was pointed out with respect to the exact wording of the booking form and agreements due to this dual nature of the sanction process, which led to a detailed consultation with senior officers in RERA and the RERA chairman. It was noted that this was one of the first projects to be approved in RERA in the year 2018 and that raising questions after eight years would cause undue harm to the buyers of the project. It was submitted that upon consultation and as per the directions of the RERA authorities, the documents were suitably amended to reflect the required particulars, and thereafter, the amended documents were approved at all levels of the RERA approval process, including by the Chairman, and were supported by qualified technical officers who were well-versed with the applicable sanction rules and relevant Government Orders.

55. The respondents pointed out that Form B was visible for all to see and attached a screenshot for ready reference showing the shortfall for changing the documents, which depicted a list of documents uploaded after the shortfall, such as the proforma of the allotment letter, agreement for sale, and declaration in Form B, all marked as appropriate by the authorities on the fifth of December, 2018. It was submitted that from these facts, it was crystal clear that certain shortfalls were initially pointed out, and upon due rectification and refiling, the project was subjected to scrutiny at four different levels by the RERA authorities and was found to be in full conformity with the provisions of the Act and Rules, pursuant to which the registration certificate was granted. The respondents argued that having granted the registration after such detailed scrutiny, the Authority was estopped from re-opening or questioning the very same issues, particularly after a lapse of eight years. It was averred that any such action would be contrary to settled principles of finality, legitimate expectation, and administrative consistency, amounting to reviewing its own decision without statutory basis and against principles of natural justice. It was submitted that the booking forms in the RERA approved and directed format clearly showed the sanction process, demonstrating that plots plus villas would be sold and villa sanctions would be obtained, and an image of the provisional allotment booking form was included in the response to highlight this.

56. It was detailed that the terms of the booking form read clearly that the promoters had planned that the prospective buyers should eventually become the absolute owners of an identifiable plot together with an independent house. It was submitted that the agreement of sale, containing relevant clauses highlighting this process, was approved and directed by RERA

authorities as per Rule 38. These clauses stipulated that the promoters and the allottee were required to enter into two separate agreements, one with respect to the sale of land and the second with respect to the construction of the house, which would be interdependent, mutually co-existing, and inseparable. The clauses further stated that the sanction of independent houses on the individual plots would be obtained from the local authority, and each plot allottee would enter into a construction agreement, rendering the two parts of the project interlinked so that prospective customers were not entitled to purchase plots without entering into an agreement for the construction of the house. It was submitted that a reading of the agreement in its entirety, as specifically approved by RERA and made available on the RERA portal along with the approved Form B, clearly demonstrated that plots were proposed to be sold and that permissions for construction of individual houses were to be obtained from the concerned local authority strictly in accordance with applicable sanction procedures.

57. The respondents asserted that the company had at all times acted in compliance with governing rules and regulations, making it abundantly clear that the RERA registration was granted only after due diligence and detailed scrutiny at multiple levels by competent authorities who were fully aware of and approved the project, its HMDA sanction, and the subsequent independent house sanction from the local authority. It was further submitted that each and every agreement executed with the allottees was in the format approved by RERA, and all brochures and agreements clearly disclosed this information, meaning every allottee was fully aware of these facts. The respondents noted that nearly ninety percent of the allottees had independently availed housing loans, meaning concerned financial institutions independently vetted the project and the applicable sanction process. Copies of the booking form, the agreement for house number 34, and the original brochure were attached as annexures to demonstrate that the mode and method of government approvals were clearly highlighted and unknown to no one. It was submitted that this case differed from other projects where such facts were not disclosed, and since the process of granting sanction was not in dispute and had been upheld in the writ petition, the show cause notice incorrectly mentioned that the project was registered as a plotted development and villas were sold against the materials on record.

58. It was noted that the original Form B and booking forms were not approved by RERA, and it was only under the direction of RERA that correct clauses were inserted highlighting the process of plotted development and sanctions, proving that RERA had approved the project in its entirety after four layers of due diligence. It was noted that the agreement of sale and conveyance deed used the exact format directed by RERA after raising the shortfall, and

applying this to each and every allottee could not be said to be against the RERA registration or certificate. The respondents pointed out that the RERA certificate given was exactly the same for houses, apartments, or plotted houses plus buildings, and they included an image of their RERA registration certificate to prove this, noting that it clearly stated plot or building in its conditions. They submitted that even apartments possessed the exact same certificates and that there was no such thing as a separate certificate for villas or plots plus villas, reiterating that the facts as an approved document were in Form B. They categorically stated that as per the portal, even if they applied on the current day, the exact same procedure had to be followed, the same Form B would be approved, and the same certificate would be given, as the only sanction available on the date of filing was the HMDA layout and each house was approved as per BuildNow.

59. In view of these facts, it was submitted that RERA, through a multilayer system, had approved the registration, directed the change of conveyance deeds and booking forms, and the respondents had followed these rules exactly, meaning no conveyance was made in contravention to what was approved by RERA. It was noted that the show cause notice was issued based on the RERA registration certificate alleging violations of section 14, but the respondents averred that all conveyances had been done exactly in the format approved by RERA and uploaded in Form B, arguing that section 14 did not apply to them as there was no deviation from the sanction plan and every document aligned with RERA approval. It was noted that RERA authorities all over the country were aware of such dual nature of sanctions where plotting was given by the local authority and house sanction by the concerned development authority, stating that there were hundreds of such RERA approvals followed after due verification. It was categorically stated that RERA did not possess separate certificates for villas, and because RERA issued the certificates ensuring complete law compliance after a four-level verification process, it was a settled principle in law that no authority could question the applicant or itself on the permissions and sanctions given by the same authority.

60. The respondents added that there were numerous plotting projects with villa permissions taken from local authorities that RERA had approved, enclosing a partial list of such projects for perusal that had been approved by Telangana RERA after due diligence. They noted that in 2018, Telangana RERA saw a massive wave of registrations as it was its first full year of operations, during which extensive consultations were held with builders associations and stakeholders, resulting in RERA registrations being given based on the nature of sanctions

and issues in Hyderabad. They enclosed a list of ten to fifteen such RERA numbers given with HMDA sanction and a list of 140 certificates given in 2018 itself, arguing that adding the lists from the last eight years would mean thousands of villa customers would be affected for no fault of theirs. Therefore, in view of all the above facts and circumstances, it was humbly prayed by the respondents that because the RERA registration for the subject project was granted in the year 2018 and more than 100 residents were presently and peacefully residing in the project, any adverse action at this stage would cause undue hardship to the allottees as well as the respondents, leading them to respectfully request the Hon'ble Authority to drop the said show cause notice and to grant them an opportunity for a personal hearing to explain their case in detail.

F. Points to be determined:

61. Based on the facts and circumstances placed before this Authority, the following questions arise for adjudication:

I. Whether the present Complaint is maintainable before this Authority under the provisions of the RE(R&D) Act, 2016?

II. Whether the Respondent has violated any provision of the Real Estate (Regulation and Development) Act, 2016?

III. Whether the Complainants are entitled to the relief sought? If so, to what extent?

G. Observation by the Authority:

Point I

62. The Respondents have raised a preliminary objection to the maintainability of the complaint, contending that the Authority lacks jurisdiction to entertain the reliefs sought and that the complaint is procedurally defective. This Authority finds no merit in the said objection.

63. The Complainants are allottees who have purchased plots in the project "Golden County," bearing RERA Registration No. P02200000242, pursuant to registered Agreements of Sale executed with the Respondents. The definition of "allottee" under Section 2(d) of the RE (R&D) Act, 2016 includes any person to whom a plot, apartment, or building has been allotted, sold, or otherwise transferred by the promoter. The Complainants fall squarely within this definition, having purchased plots in the registered project and having entered into construction agreements for the villas thereon. Section 31 of the Act confers upon any

aggrieved person the right to file a complaint before this Authority against a promoter for any violation of the provisions of the Act or the rules and regulations made thereunder. The Complainants, being allottees of a registered real estate project, are clearly "aggrieved persons" within the meaning of Section 31 of the Act and are fully entitled to maintain the present complaint before this Authority. The preliminary objection of the Respondents is accordingly overruled. Point I is answered in the affirmative.

Point II

64. Having established the maintainability of the complaint, this Authority now proceeds to examine whether the Respondents have violated any provision of the Real Estate (Regulation and Development) Act, 2016.

65. Before adverting to the specific violations, it is necessary to advert to the foundational purpose and object of the RE (R&D) Act, 2016. The Preamble to the Act unequivocally declares that it has been enacted:

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

66. The Act was thus enacted with the express and overarching purpose of ensuring transparency, accountability, and the protection of the interests of homebuyers in the real estate sector. The architecture of the Act is designed to ensure that what a promoter advertises, registers, and delivers are consistent with one another, and that a consumer who purchases a real estate product receives precisely what was represented to him at the time of purchase. Any conduct by a promoter that creates a divergence between the product registered with this Authority, the product advertised to the public, and the product ultimately delivered to the allottee, strikes at the very root of the regulatory framework and must be viewed with the utmost seriousness by this Authority.

67. Turning to the facts of the present case, it is an admitted and undisputed position that the Respondents obtained RERA registration for the project under Registration No. P02200000242 for "Golden County". It is equally undisputed that the layout approval obtained from the Hyderabad Metropolitan Development Authority (HMDA) vide Letter No. 105669/LO/Plg/ORRGC/HMDA/2013 dated June 14, 2017, was granted specifically and

exclusively for the development of a plotted layout, and not for the construction of individual villas or a villa township. The RERA registration was accordingly obtained for a plotted development project. This is the substratum of the statutory framework within which the Respondents were authorised to operate.

68. This Authority now takes note of the reply filed by the Respondents to the Show Cause Notice. In the said reply, the Respondents have submitted at length that the dual-agreement structure comprising a separate agreement for the sale of plots and a separate construction agreement for the villas was disclosed in the booking form and the Agreement of Sale, and that this structure was specifically reviewed, directed to be amended, and ultimately approved by this Authority at four levels of scrutiny during the registration process. The Respondents have further contended that the project is indistinguishable from several other villa-plus-plot projects registered with this Authority in 2018, and that adverse action against them alone would be inequitable. These contentions, though made with apparent force, are examined and rejected for the reasons that follow.

69. Section 3(1) of the RE (R&D) Act, 2016 mandates in unequivocal terms as follows:

> *"No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act."*

TELANGANA REAL ESTATE REGULATORY AUTHORITY

70. The key question that this Authority is required to examine is not merely what was stated in the body of the Agreement of Sale or the booking form, but what was advertised and marketed to the public by the Respondents. The distinction between the mode of advertising and marketing on the one hand, and the internal contractual structure of the transaction on the other, is fundamental and cannot be conflated. The Respondents' submission that the dual-agreement structure was disclosed in the Agreement of Sale is, at best, a contractual disclosure to individual allottees after the decision to purchase had already been made. It has no bearing on the nature of the product that was advertised and presented to the public at large in the first instance, which is the conduct directly regulated by Section 3(1) of the Act.

71. In this regard, this Authority notes with particular significance that the Respondents have themselves placed on record the brochure issued for the project. The said brochure, which was the primary marketing and advertising material deployed by the Respondents to attract prospective buyers to the project, bears the title "Golden County Luxury Villas" prominently and specifically describes the project as a luxury villa gated community, replete with depictions

of fully constructed villas, a clubhouse, a gymnasium, a swimming pool, sports facilities, and landscaped common areas. There is no mention in the brochure of a "plotted layout." The brochure does not represent to the reader that what is being sold is a plot of land upon which the purchaser may or may not choose to construct a villa. On the contrary, it unambiguously advertises and promotes a completed, integrated luxury villa township. This is the representation made to the market and to prospective purchasers, and it is this representation that determines the regulatory character of the advertisement and marketing activity for the purposes of Section 3(1) of the Act.

72. The HMDA approved only a plotted layout. The RERA registration was obtained only for a plotted development. Yet the Respondents advertised and marketed the project as "Golden County Luxury Villas" from the very outset. This Authority holds that the advertisement and marketing of the project as a villa development, when the underlying statutory approval and RERA registration were confined to a plotted layout, constitutes advertising and marketing of a project the villa component of which was not registered with this Authority, in direct contravention of Section 3(1) of the Act.

73. The Respondents' submission that the Agreement of Sale disclosed the separate construction contract, and that this disclosure was approved by this Authority, does not rescue them from this finding. The disclosure of a dual-agreement structure in the Agreement of Sale is a contractual arrangement between the promoter and the individual allottee. It does not, and cannot, convert an advertisement for a "luxury villa gated community" into a permissible advertisement for a registered plotted layout. The advertisement precedes the Agreement of Sale and reaches the general public, including persons who may never ultimately execute an agreement. The statutory requirement under Section 3(1) of the Act is that the project being advertised must be registered. The project being advertised was a villa project. The villa project was not registered. The violation is accordingly established, regardless of what the Agreement of Sale disclosed to the individual purchaser after the fact.

74. Furthermore, this Authority notes that had the Respondents' intent from the beginning been to develop a plotted layout in the conventional sense, there would have been no reason to name and market the project as "Golden County Luxury Villas," to depict fully constructed villas in the brochure, to erect model villas at the project site, or to compel each and every purchaser to simultaneously enter into a mandatory construction agreement. The very structure of the transaction, as evident from the brochure, the model villas, and the mandatory

interdependent construction contracts, conclusively demonstrates that the Respondents' intention from the inception of the project was to develop, sell, and deliver completed villas — not merely plotted land. When the intention was always to develop and deliver villas, the Respondents ought to have obtained the requisite approvals and RERA registration for a villa project, and their failure to do so while simultaneously advertising the project as a villa township is a direct and deliberate circumvention of the Act's regulatory framework.

75. This Authority has carefully considered the Respondents' submission that similar dual-agreement villa projects have been registered with this Authority in the past, and that adverse action against the Respondents alone would be arbitrary and discriminatory. This Authority does not accept this submission as a defence to the violation found herein. The fact that similar conduct may have been engaged in by other promoters, and that registrations may have been granted in respect of similar projects in the past, does not provide legal immunity to the Respondents for their own violation. This Authority records that it is seized of the broader pattern of such dual-agreement villa projects and is taking appropriate action in similar matters as well, including, wherever applicable, the initiation of suo motu proceedings. No promoter can claim a right to continue in violation of the law merely because others have committed similar violations.

76. Accordingly, this Authority holds that the Respondents have violated the provisions of Section 3 and Section 4 of the RE (R&D) Act, 2016 by advertising and marketing the project "Golden County" as a luxury villa township when the statutory approvals and RERA registration were obtained only for a plotted layout development. The Respondents are accordingly liable for imposition of penalty under Sections 59 and 60 of the RE (R&D) Act, 2016.

Point II is accordingly answered in the affirmative.

Point III

77. Having examined the question of violations, this Authority now proceeds to examine the Complainants' entitlement to the reliefs sought.

Completion of Pending Amenities

78. The Respondents have submitted that all amenities forming part of the project have been completed, including the clubhouse, parks, stormwater drains, and open-air gym. The Complainants, on the other hand, have disputed this position and submitted that several

promised amenities remain incomplete, inadequate, or do not conform to specifications. This Authority is of the view that the Respondents are bound to deliver all common amenities as promised in the Agreement of Sale and the sanctioned layout plan, irrespective of the dual-agreement structure adopted for the project.

79. The Respondents are accordingly directed to forthwith complete all common amenities as promised in the brochure/Agreement of Sale, within a period of 90 (ninety) days from the date of receipt of this Order.

Compensation

80. With regard to the claim for compensation for false representation and hardships suffered, this Authority observes that claims for compensation in the nature of damages fall within the exclusive jurisdiction of the Adjudicating Officer appointed under Section 71 of the RE (R&D) Act, 2016. The Complainants are accordingly at liberty to approach the Adjudicating Officer for adjudication of their claims for compensation, if so advised.

Interest on Amenity Amounts

81. With regard to the relief-seeking interest at 18% per annum on amounts collected towards amenities from the respective dates of payment, this Authority notes that such claims are personal and individual to each allottee, as the amount paid, the date of payment, and the period of delay would vary for each Complainant. The entitlement to interest is a right vested in each individual allottee, and the quantum thereof must be determined on the basis of each allottee's specific transaction details. This Authority accordingly holds that each individual Complainant shall be at liberty to file a separate complaint before this Authority in their individual capacity, placing on record their respective payment details, for adjudication of their claims for interest in accordance with the provisions of the Act. No order is passed on the merits of such claims in the present proceedings.

Handover of Clubhouse to Association of Allottees

82. The Respondents have submitted in their counter that the clubhouse has been fully constructed and is currently operational, and that an Association of Allottees has since been formed. Section 11(4)(e) of the RE (R&D) Act, 2016 casts a specific obligation upon the promoter to enable the formation of an association or cooperative society of the allottees. Section 17 of the Act further mandates that the promoter shall execute a registered conveyance deed and hand over physical possession of the common areas to the association of allottees. In

view of the Respondents' own admission that the clubhouse is fully constructed and the Association has been formed, this Authority directs the Respondents to forthwith hand over the clubhouse and all common areas of the project to the Association of Allottees in accordance with Section 17 of the RE (R&D) Act, 2016, within a period of 30 (thirty) days from the date of receipt of this Order.

Occupancy Certificate

83. With regard to the relief for obtaining the Occupancy Certificate for individual villas, the Respondents are directed to take all necessary steps to facilitate and obtain the Occupancy Certificate or any equivalent statutory completion document from the competent local authority in respect of all individual villas in Phase I of the project "Golden County" where possession has been handed over, within a period of 90 (ninety) days from the date of receipt of this Order, or within such further time as may be permitted by the competent authority.

Maintenance of the Project and Payment of Dues

84. During the course of the proceedings, it was vehemently stated by the Complainants that the Respondents were not maintaining the society properly and had effectively stopped the maintenance of the common areas and amenities. Conversely, the Respondents contended that the deterioration in maintenance was a direct consequence of the Complainants' orchestrated and collective refusal to pay the agreed maintenance charges, thereby causing severe financial losses.

85. In this regard, this Authority observes that a clear statutory framework governs the maintenance of real estate projects. Under Section 11(4)(d) of the RE (R&D) Act, 2016, the promoter is strictly responsible for providing and maintaining the essential services, on reasonable charges, until the taking over of the maintenance of the project by the association of allottees. Therefore, since the Respondents were currently retaining control and undertaking the maintenance of the project, they were legally bound to maintain the entire society properly and, in all senses, without compromising on the quality, safety, or hygiene of the essential services. The Respondents could not unilaterally abandon their maintenance duties while still in control of the project's infrastructure.

86. However, this Authority further observes that this statutory obligation of the promoter is inextricably linked to the corresponding statutory duty of the allottees. Section 19(6) of the

RE (R&D) Act, 2016 explicitly mandates that every allottee is obligated to pay their share of the maintenance charges for the upkeep of the project. Effective and sustainable maintenance of a large-scale project cannot possibly be achieved in a financial vacuum. The Complainants could not lawfully demand continuous, premium, and uninterrupted services while simultaneously withholding their legitimate financial contributions. Therefore, it is the bounden duty of the Complainants and all other allottees to immediately clear their pending maintenance dues to ensure the effective upkeep of the project.

87. Furthermore, it was brought on the record that an association of allottees, namely 'M/s. Golden County Phase I villa owners Maintenance Mutually aided Cooperative Society Ltd.' (the Impleaded Complainant), had already been formed. Therefore, to resolve this continuing impasse and ensure long-term harmony, the Respondents shall immediately formally hand over the maintenance and management of the society to the said Association, accompanied by a transparent settlement of accounts.

H. Directions of the Authority

88. In light of the discussions and findings made hereinabove, this Authority, vide its powers under Sections 37 and 38 of the RE (R&D) Act, 2016, issues the following directions:

i. For violation of Sections 3 and 4 of the RE(R&D) Act, 2016 Respondents are liable for penalty under Sections 59, and 60 respectively, therefore, the Respondent is directed to pay penalty of *Rs. 20,05,200/- (Rupees Twenty Lakh Five Thousand Two Hundred Only)* payable within 30 days in favour of TGRERA through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036.

ii. The Respondents are directed to forthwith complete all common amenities as promised in the brochure/Agreement of Sale, within a period of 90 (ninety) days from the date of receipt of this Order.

iii. The Respondents are directed to hand over the clubhouse and all common areas of the project to the Association of Allottees in accordance with Section 17 of the RE (R&D) Act, 2016, within a period of 30 (thirty) days from the date of receipt of this Order.

iv. The Respondents are directed to take all necessary steps to facilitate and obtain the Occupancy Certificate from the competent local authority in respect of all individual villas in Phase I of the project where possession has been handed over, within a period of 90 (ninety) days from the date of receipt of this Order.

v. The Respondents are directed to maintain the entire society, including all common areas and essential services, properly and in all respects until the maintenance is formally handed over to the Association. Concurrently, the Complainants/allottees are directed to immediately clear all their legitimate, pending maintenance dues payable to the Respondents to facilitate such effective maintenance.

vi. Failing to comply with the above directions by the Respondents shall attract penal action against the Respondents in accordance with Section 63 of the RE (R&D) Act, 2016.

89. 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

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY