

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**  
**[Under the Real Estate (Regulation and Development) Act, 2016]**

**COMPLAINT NO.16 OF 2024**

**17<sup>th</sup> Day of July 2025**

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

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

**...Complainants**

**Versus**

***M/s Countryside Realtors India Pvt. Ltd.***  
(Represented through its Director, Sri Mohd. Masood Ul Hasan  
& Sri SimhaKvinarasimham and Sri Saurabh Pandey  
Office at Plot No.3, 2<sup>nd</sup> floor, Amar Co-Operative Society,  
Kavuri Hills Phase – II, Guttala Begumpet, Madhapur,  
Hyderabad, Telangana 500081)

**...Respondent**

The present matter filed by the Complainants herein came up for hearing on 14.02.2025 before this Authority in the presence of Counsel for Complainants, Sri A. Chandra Shaker & Sri G. Venugopal and the Counsel for the Respondent, Sri Drupad Sangwan and after hearing the arguments, this Authority passes the following **ORDER:**

2. The present Complaint has been filed by the Complainants 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 Respondent.

#### **A. Brief facts of the case:**

3. The Complainants submitted that they 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 501203. That according to the initial plan outlined in marketing materials and the agreement of sale, Respondent represented that the Westend Greens projects obtained approval from HMDA in 2011 under LP No. 1140/LO/ZO-SKP/HMDA/2011 with an initial plan of building 117 villas.

4. Accordingly, Complainants paid all the dues as outlined in the Agreement of Sale which includes:

- i. Cost of construction as mentioned in the Agreement of Sale
- ii. Taxes in the form of GST
- iii. Amount demanded as part of developing amenities such as Club House
- iv. Monthly maintenance at the rate of Rs 7500/month per villa

5. That pursuant to the satisfactory receipt of payment, Respondent 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. It was submitted that the project is ongoing, with a mere 30% completion achieved thus far.

6. The Complainants further submitted that Respondent approached the Hyderabad Metropolitan Development Authority (HMDA) for revalidation of the layout, once in 28.02.2017 and then in 20.12.2019. That however, the Complainants have not been communicated if revalidation has been approved. But while Respondent 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 to Section 12 of the Act, 2016 which imposes obligations on promoters regarding information provided to buyers. They further highlighted that Section 11(2) of the Act, 2016, which states that advertisements for marketing plots or flats in a real estate project must include the TG RERA registration number, but Respondent failed to do so.

7. It was submitted that as of February 2024, (i) only around 30% of the project is complete and, (ii) Respondent 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, 2016 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 RE(R&D)Act.

8. It was further submitted that while the Complainants have been staying in their respective villas since 2-3 years, the project lacks basic facilities which have been promised in respective Agreement of Sale, the marketing brochures as well as website.

- i. There is no Sewage Tank or Sewage Treatment facility in Westend Greens (area size 12 acres) 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
- ii. Missing compound wall and high tension electrical lines that are lying in the open is posing as a significant threat to the safety of the residents
- iii. Erratic water supply as there is no proper water piping done with non-functioning pneumatic pumps and sumps even though these were promised as Amenities.

9. 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 Respondent and have obtained 'No Dues' certificates from it. Starting February 2024, Respondent 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 Respondent to complete the pending amenities and construction.

#### **B. Relief(s) sought:**

10. Therefore, aggrieved by the actions of the Respondent, Complainants prayed as under:

- 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. Given that Westend Greens, with a completion rate of less than 30% and spanning 12 acres, falls squarely within the ambit of ongoing projects.*

- ii. *Re-instatement of the lapsed HMDA approval (via LP No. 1140/LO/ZO-SKP/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 fulfillment 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 inline with promised amenities as per sale deed*
- v. *Expedited 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.*

### **C. Counter on behalf of the Respondents:**

11. Counter has been filed on behalf of the Respondent in the matter submitting that the present Complainants have deliberately not provided the correct factual background of this case. Putting forward its case, Respondent submitted that the Respondent was 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. (Hereinafter to be referred to as "Project").

12. That the Complainants expressed their interest in purchasing villas in the 'Westend Greens' Project, specifically in Plot Nos. 26, 100, 32, and 16. After due deliberation, the Respondent agreed to their requests. Consequently, the Respondent executed the following 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 Respondent 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.

13. It was further submitted that the Respondent 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. Respondent submitted that, this demonstrates that the Respondent 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 Agreement of Sale.

14. 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. Respondent 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.

15. It was further submitted that Respondent 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 Respondent. This defamatory conduct by the Complainants resulted in significant losses for the Respondent, as several



prospective buyers were deterred from proceeding with their purchases in this esteemed project. The Respondent 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 Respondent.

16. 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 Respondent consistently endeavored to safeguard the interests and maintain harmony among the allottees. The Complainants acting with *malafide* intent, sought to damage the Respondent'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. The Complainants engaged in these defamatory acts with the deliberate intention of causing irreparable harm to the Respondent, which resulted in significant financial losses and delays in the project's completion. Despite these unjust actions, the Respondent refrained from initiating legal proceedings, prioritizing the development of the project and project is almost complete contrary to the submission of the Complainants. In fact, when the same was highlighted to the Complainants, one of the complainants even sent an apology letter to the Respondent.

17. It was also submitted that a notice dated 11.03.2024 was subsequently issued to the Respondent 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 Respondent 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 Agreement of Sale and bye- laws governing 'Westend Greens'.

18. That during this period, the Respondent 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.

19. That the Respondent 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 Respondent 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.

20. That, in response to the legal notice dated 16.03.2024, the majority of the 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 Respondent. They acknowledged the Respondent's consistent efforts in completing and maintaining the project and highlighted the Complainants' lack of transparency throughout the process of forming WGMACS. The residents of 'Westend Greens' also emphasized that WGMACS appeared to have been formed with the sole intention of causing disruption to the Respondent, noting that the Complainants acted with malice to damage the Respondent's reputation. Particularly as they were chronic defaulters in the payment of monthly maintenance and other dues including the total sale consideration.

21. That the Respondent ensured that the amenities of 'Westend Greens' remained up to the promised standard. 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 Respondent exerted his best efforts to ensure that the residents of 'Westend Greens' would enjoy the quality lifestyle that was originally proposed to them.

22. That, despite the Respondent having already executed registered sale deeds in favour of the Complainants and handed over possession of the said villas, it is evident that the present complaint has been filed with malafide intent and ulterior motive.

23. Respondent 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/Respondent and have stated that the Complainants acted with malafide intent to tarnish the Respondent'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 Respondent, 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 Respondent 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 *malafide* intentions, alleging substandard quality of the project, thereby defaming the Respondent and causing irreparable harm to the Respondent'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 Respondent 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.

24. Respondent further submitted that the HMDA Layout Permit was obtained in the year 2011, and since the commencement of the project, the Respondent has completed various villas, including the villas bought and possessed by the Complainant, who have been living in their respective villas for the last couple of years. That the Respondent has completed a substantial part of the project and completion of the rest of the project was attributed to the market fluctuations in the years 2016-18 due to state bifurcation, note ban and thereafter followed by the Covid-19 outbreak in the years 2019-2022 followed by political dynamics so far which affected the manpower and requisite permissions/clearances. That even after several backlashes the Respondent was able to complete the Project work.

25. With respect to the allegation that Respondent has violated Section 11(2) & 12 of the Act, 2016, Respondent submitted that it has not advertised any false information and none of the prospective buyers of the Respondent's Project have incurred loss as such there is no violation of section 12. That apart from complainants there have been no complaints filed by any prospective buyer seeking for relief under section 12, hence this proves that the Respondent has not committed any violation or breach which triggers liability under section 12. That the Respondent 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.

26. That the Respondent has meticulously ensured the installation of necessary water piping, pumps, and sumps, taking all required measures to fulfil the promised obligations to

the residents. Respondent appended photographs to demonstrate the actual conditions of the project.

27. 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' certificated from Respondent, Respondent submitted that the Complainants requested the Respondent to issue No Due Certificate upon mutual trust and confidence solely for the purpose of getting the sale deed executed.

28. The Respondent denied the allegation that the disposal of twenty HMDA mortgaged plots is necessary to secure the rights of the buyers or to complete pending amenities and villas and submitted that it has consistently acted in the best interests of the purchasers and has made every effort to complete the project in a timely and efficient manner. It was submitted that the Respondent remains committed to the prompt completion of the project in accordance with all contractual obligations.

29. It was further submitted that the Respondent has consistently worked diligently towards the development of the project and has made every effort to fulfil all commitments as outlined in the sale deed. All promised amenities have been provided, and the Respondent remains steadfast in their dedication to the continued benefit and satisfaction of the residents. The Respondent is committed to maintaining and enhancing the quality of infrastructure and amenities in line with the promises made.

**Respondent challenging maintainability:**

30. Respondent filed an interlocutory application challenging the very maintainability of the complaint submitting that the project is not on-going in accordance with the Rules, 2017 and therefore, this Authority does not have any jurisdiction to adjudicate upon the present matter. The Complainants also filed a reply to the said application and accordingly, a well-reasoned order dated 25.07.2024 was issued by this Authority dismissing the said application filed by the Respondent holding as under:

*“8. Therefore, a careful perusal of the judgement would clearly stipulate that the intention of the Parliament is unambiguous to include all projects for which a completion certificate has not been obtained, so as to protect the interests of the allottees through this beneficial legislation. In the facts of the present case, the Complainants have been awaiting their villas and amenities for the last 12 years but the Respondent, apparently, has taken no pain to complete such works to the*

*detriment and suffering of the allottees/complainants which cannot be permissible under law.*

*9. Regarding the issue of whether the Complainants have the locus to file the present case, it is apparent that the Complainants are aggrieved by the promoter's failure to comply with the terms of their sale deed, as well as the provisions of the Act. As the Respondent has abandoned the project midway, the obligation to form an association, as mandated under Section 11(4)(e), has not been fulfilled, thereby compelling the Complainants to seek redress from this Authority under Section 31 of the Act, 2016. Therefore, it is held that the Complainants have locus to file the present complaint, and by virtue of Section 3 and the judgment of the Hon'ble Supreme Court in "Newtech Promoters", it is apparent that this Authority is well within its jurisdiction to entertain the present complaint. This Authority is also of the opinion that the Respondent has resorted to filing such application merely with the intent to delay and lag the proceedings and harass the complainants which is not permissible."*

31. The Respondent challenged this very order before the Hon'ble Appellate Tribunal and by way of Order dated 03.01.2025, the Hon'ble Appellate Tribunal held as under:

*"1. The project "Westend Greens" qualifies as an "on-going project" under the RERA Act and the Telangana RERA Rules, 2017.*

*2. The complaint filed by the respondents before the Telangana RERA Authority is maintainable and falls within the jurisdiction of the Authority.*

*3. The appellant's appeal challenging the maintainability of the complaint is not maintainable.*

*The RERA Authority's order dated 25.07.2024 is upheld."*

32. Subsequently, the matter was proceeded before this Authority.

#### **D. Rejoinder on behalf of the Complainants:**

33. The Complainants submitted a rejoinder to the Counter Affidavit by submitting that the Respondent filed certain documents before the Hon'ble Appellate Tribunal amongst which is a counter affidavit dated 25.02.2020, submitted by Mr. K. Srinivas, Director, Planning-1, Hyderabad Metropolitan Development Authority (HMDA), Tarnaka, before the Hon'ble High Court of Telangana in Writ Petition No. 29045 of 2019. That HMDA, acting *suo motu*, had impleaded itself as a party to the said writ petition, which was instituted by the Respondent against the District Panchayat Officer, Ranga Reddy District to challenge the demolition activity undertaken at the Westend Greens project site on 18.12.2019. It was submitted that the counter affidavit filed by Mr. K. Srinivas on behalf of the Hyderabad

Metropolitan Development Authority (HMDA) contradicts the position consistently maintained by the Respondent throughout these proceedings. That the Respondent has repeatedly asserted that they possess valid Building Permissions; thereby seeking to invoke the exemption provided under Section 2(j) of the Telangana RERA Rules, 2017. That their challenge to the jurisdiction of this Authority has been predicated on the claim that building permissions for the Westend Greens project were granted prior to 01.01.2017, despite the critical fact that no Occupancy Certificate (OC) or Completion Certificate (CC) has been issued by the competent authorities for the said project.

34. Complainants submitted that following facts come to light from the above-mentioned counter affidavit:

*"3. In reply to the averments made in para-No.3 of the affidavit, it is humbly submitted that Md Ahmed & others have applied for approval of open plotted layout with three model houses in Sy. Nos. 100/Part and 107/Part situated at Mokila (V), Shankarpally (M), Ranga Reddy District, to an extent of 47,404.42 Sq.m, vide application No. 1140/LO/ZO-SKP/HMDA/2011. The same has been examined by this answering respondent duly verifying the prima facie title, and the same was approved by the Metropolitan Commissioner on 26.05.2011. Intimation letter was issued to the applicant on 06.06.2011 for payment of development charges and other charges applicable for the layout and three (3) model houses, and for compliance with precedent conditions."*

*Condition Nos.*

- The Executive Authority shall not approve and release any building permissions or allow any unauthorised developments in the area under mortgage to HMDA in particular, and in other plot in general until and unless the applicant has completed the development works and then got released the mortgaged land from HMDA and release of final layout.*
- The applicant shall not construct the building in any plots. The local body also shall not allow any construction in plots till the final layout is issued by HMDA.*

*4. In reply to the averment made in paragraph 4 to 6 of the affidavit it is humbly submitted that, the answering respondent approved the layout with (3) Model Houses only wherein the applicant has constructed the model houses in more than (3) plots in contrary to approved layout plan"*

35. That this counter affidavit filed by HMDA on 25.02.2020 brings to light the following:

- i. **Westend Greens is an "open plotted layout"**: Contrary to the respondent misrepresentation in the marketing brochure that Westend Greens is a "HMDA approved Villa Gated Community", it is just an open plotted layout
- ii. **There is No Building Permission**: HMDA has not granted any Building Permission for this open plotted layout. The draft permission was limited to the development of the layout with three (3) model houses only. However, flouting this very condition, Countryside Realtors India Pvt Ltd in their affidavit dated 10.12.2024 has admitted in Appeal No 28 of 2024 filed with the honourable authorities of RERA Appellate Tribunal that villa construction has been carried out in 42 plots. Meaning 39 villas have been constructed without having any building permission from HMDA
- iii. **There is no construction permission**: Construction was explicitly permitted only after the issuance of the Final Layout Approval. However, Countryside Realtors unlawfully proceeded with construction activities.

36. It was further submitted that 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 *"12. The Executive Authority shall not approve and release any building permission or allow any unauthorized 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"*.

37. Considering the following:

- i. The draft approval expired over seven years ago on 03.11.2017
- ii. The mortgaged plots have not been released.
- iii. The final layout approval plan has not been issued.

38. Complainants submitted that it appears that the Westend Greens project currently lacks the requisite building permissions 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 is stated that Countryside Realtors *"not obtained the G.P. Permission from local body for construction approval"*



39. It was submitted that a conjoint reading of (i) 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, (ii) HMDA's letter to the Executive Authority, Mokila Gram Panchayat dated 3.11.2011 and, (iii) Notice sent by Panchayat Secretary, Mokila Village to 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.

40. It was submitted that the Respondent through its acts of misrepresentation have caused severe prejudice to the Complainants, who have invested their life savings in the project based on the Respondents' assurances of regulatory compliance and the promise of premium-quality residential development. That the Complainants now find themselves in a dire situation, burdened by the following:

- i. The draft layout permission for the Westend Greens project expired over 7 years back (on 03.11.2017), rendering the layout unauthorized.
- ii. The villas occupied by the Complainants lack valid building permissions, exposing them to legal and safety risks. Notably there was demolition activity that was carried out on 18.12.2019 by the District Panchayat, Ranga Reddy district and the respondents were forced to file writ petition WP No.29045 of 2019 at the Hon'ble High Court of Telangana on 30.12.2019 to halt this demolition activity.
- iii. The Westend Greens project offers absolutely no amenities, despite the Complainants having fully paid for such facilities as part of their contractual obligations.
- iv. The Complainants are saddled with high EMIS, while the market value of their properties has plummeted to virtually zero due to the absence of an Occupancy Certificate/ Completion Certificate. (v) Aggravating the already precarious situation, the Respondents have continued to exploit the Complainants by coercing them to pay exorbitant monthly maintenance fees of Rs 8,850 per villa by threats of disconnection of electricity and water supply for villas that lack requisite building permissions, situated in a layout that has no valid approval and absolute zero amenities.



41. Complainants submitted that the Respondent's sweeping and uncorroborated assertion that the Complainants are guilty of "*suppressio veri et suggestio falsi*" is a desperate and transparent attempt to deflect attention from their own flagrant misconduct, which includes but is not limited to:

- a. Violation of Section 4 read with Section 12 of the RERA Act: Misrepresenting an open-plotted layout as a HMDA-approved gated community in marketing brochures, thereby misleading prospective buyers.
- b. Violation of Section 14 of the RERA Act: Engaging in unauthorized construction activities in blatant contravention of building permission and sanctioned plans from HMDA.
- c. Section 60 of the Act, 2016: The Respondent provided misleading and false information regarding possession Building Permission both in their marketing communications and in proceedings before the hon'ble High Court of Telangana, RERA Tribunal as well as this Authority.

42. That the Complainants, in contrast, have approached this Hon'ble Authority with clean hands, full disclosure of all material facts, and comprehensive documentary evidence, demonstrating utmost good faith.

43. The Complainants refuted the Respondents' claim 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 Respondents against undertaking illegal construction prior to obtaining final layout approval, which include Notice dated 18.12.2018, 12.11.2019, 15.11.2019 and 10.01.2020.

44. It was further submitted that in their letter to the District Panchayat Officer dated 22.12.2019, the Respondent 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-possessors" of the project land.

45. It was further submitted that the HMDA, vide Letter No. 1140/LO/ZO-SKP/HMDA/2011 dated June 6, 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.
46. However, current reality of the project is starkly different and underscores the Respondents' deliberate flouting of regulatory norms:
- i. Lack of Final Layout Approval: As of now, the Westend Greens project does not possess final layout approval from HMDA with draft layout expiring on 03.11.2017
  - ii. Absence of Building Permissions: A total of 39 villas, including those purchased by the Complainants, lack any building permission, rendering the constructions unauthorized and illegal. The fact that these villas doesn't possess building permission is also highlighted in Annexure 19 wherein the Executive Officer of Mokila Gram Panchayat addressed a letter to The District Panchayat Officer, Ranga Reddy District on 15.11.2017 saying that the respondents of this complaint "not obtained the GP permission from local body construction approval."
  - iii. Lack of Occupancy Certificate: Consequently, as a result of the Respondents' blatant disregard for legal norms, none of the residents at Westend Greens possess the requisite Occupancy Certificate, which is a critical and mandatory requirement under applicable law.
47. 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) 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.
48. That the Respondent has failed to provide essential amenities as explicitly promised in the promotional materials, Agreements of Sale, and Sale Deeds. These include, but are not limited to:
- Clubhouse
  - Power back-up through Generator
  - Flood-water Drainage
  - Landscaped gardens
  - Swimming Pool
  - Hydro-pneumatic water supply systems
  - Sewage treatment plant
49. It was submitted that this failure constitutes a breach of contractual obligations and violates Section 11(4)(a), 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 Respondent has failed to obtain final layout approval and requisite building permissions, in clear violation of Section 14 (1), which requires the promoter to build the project in accordance with the sanctioned plans, layout plans and specifications as approved by the competent authorities.

50. It was submitted that the core grievance of the Complainants pertains to the Respondent's failure to complete the amenities as promised in the respective Agreement of Sale and Sale Deed in spite of the Westend Greens project running for over 12 years. The expiration of the HMDA layout approval, coupled with the Respondent's failure to register the Westend Greens project before this Authority, has rendered the project non-compliant with statutory requirements and significantly diminished its marketability. Further, Complainant raised issues with respect to sub-par and substandard maintenance and imposition and forceful collection of Exorbitant monthly maintenance of Rs 8850 from each villa.

51. 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 Respondent of its statutory responsibility under Section 14(3). 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.

52. That the Respondent employed coercive 4-step "Toolkit" to suppress dissent and intimidate residents who assert their legitimate rights to a clean and dignified living environment which include intimidation through security personnel and bouncers under the guise of security measures, mysterious and unaccounted-for fires have been reported within the project premises, raising serious concerns of negligence, basic necessities such as water and electricity supply have been arbitrarily disconnected to exert undue pressure on the residents and the Respondent has repeatedly resorted to sending legal notices to silence and intimidate aggrieved property buyers.

53. It was submitted that the assertions that the Complainants acted with *malafide* 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 Respondents' 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 Respondent. The monthly maintenance charges, an exorbitant Rs. 8,850/- (Rupees Eight Thousand Eight Hundred and Fifty Only) have caused significant hardship.

54. That the Respondent's claims of financial losses are unsubstantiated. In fact, in their own correspondence with HMDA dated 17.12.2020, the Respondents admitted that:

*"Though we have applied for revalidation on 22.03.2017 and 20.12.2019 and have been following up with your office you are yet to revalidate our permit which has put us to lot of inconvenience and hardship as we are unable to proceed with the construction and development works and so also some of our customers are not releasing our payments on the premise that their Banks are insisting on revalidation of our permit"*

55. The Respondents' non-compliance caused banks to withhold mortgage payments, directly impacting on their financial standing not any actions on the part of the Complainants.

56. Complainants 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 Co-operative 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 Pvt. Ltd.

57. That the Respondent, 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 Respondent. That as per Section 11(4)(e), 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 Respondent has failed to form the association despite passage of 12 long years, thereby disregarding the rights and interests of the allottees.

58. The Complainants refuted the Respondent's claim that its demand to take over maintenance was "abrupt and unwarranted". Repeated requests and communications were made to the Respondent, spanning several months and years to address the deteriorating maintenance and management of the project. The Respondent's consistent inaction and neglect necessitated the transition of these responsibilities to WGMACS to prevent further decline in living conditions.

59. 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 Respondent 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.

60. While denying the contention made by the Respondent 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, Respondent admitted as follows:

*"4.2 However, the connection of the clubhouse and Swimming Pool remains incomplete in view of non-payment of consideration of amenities by the other owners. Although the Landscaped Garden has been fully developed, the remaining common areas are yet to be finalized."*

61. Further, the Complainants are in possession of the field report from SHO, Mokila Police bearing No-60/MISC/MKL/2024 dated 15.04.2024 addressed to the Commissioner, HMDA, Tarnaka, Hyderabad wherein it is stated as under:

*"Out of 117 villas some of sold out, some under construction. They completed around 30 villas in that 20 villas handed over to the owners which they were residing in their respective villas. The Builder is charging maintenance Rs 7500 per month and GST since 2018 even without occupancy certificate and no amenities. There have been several lapses in the maintenance by the developers. Basic amenities such as water*

*supply, electricity and sewage disposal are either inadequate or not functioning properly. The common areas, including roads and parks, are poorly maintained leading to safety hazards and decrease in the aesthetic appeal of the project”*

62. The Complainants denied the allegations made by the Respondent regarding any default in payments. That all Complainants have fulfilled their financial obligations as per the terms of the Agreement of Sale, including the payment of the principal consideration and maintenance charges and have obtained "No Dues Certificates" from the Respondents. That the Complainants have been paying a monthly maintenance charge of Rs 8,850/- despite the absence of promised amenities, No valid Layout Permissions as well as No Building permissions. This demonstrates the Complainants' commitment to the upkeep of the project and their adherence to financial obligations, even under conditions of gross non-compliance and misrepresentation by the Respondent.

63. 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.

64. That the Respondent's claim that the project is "almost completed" is entirely false and devoid of evidence. As of February 2024, around 20 odd villas out of 117 villas have been handed over. Final Layout is not released and consequently there is no Building Permission for the entire project, Layout Permission expired over 7 years ago on 3.11.2017, the absence of an Occupancy Certificate (OC) or Completion Certificate (CC) issued by the relevant authorities, which is a statutory requirement for project completion has not been obtained by the Respondent.

#### **E. Points for consideration:**

65. After deliberating upon the contentions of the parties and the documents filed by them, the following issues sprout for consideration:

- I. Whether the Respondent has violated Sections 3 & 4 of the Act, 2016 by not registering the Project with this Authority? If yes, whether they are liable for penalty under Sections 59 & 60 of the Act, 2016?
- II. Whether Respondent is in violation of Sections 11& 14 of the Act, 2016 as alleged by the Complainants? If yes, whether they are liable for penalty?
- III. Whether the Complainants are entitled to the relief(s) as prayed for? If yes, to what extent?



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

### ***Point I***

66. This Authority, vide Order dated 25.07.2024 already issued a reasoned order duly holding that the present Complaint is maintainable, and the project falls well within the jurisdiction of this Authority in line of proviso to Section 3 and the same has also been upheld by the Hon'ble Appellate Tribunal vide Order dated 03.01.2025 in T.A. No.28 of 2025. The Respondent, during the course of hearing submitted that an appeal to the said Order dated 03.01.2025 has been filed before the Hon'ble High Court but no orders have been issued till date and therefore, this Authority is proceeding with the matter.

67. As it is now upheld that the project falls within the jurisdiction of this Authority, the Respondent is held to be in violation of Sections 3 & 4 by failing to comply with proviso to Section 3 and making an application for registration within three months from the date of commencement of the RE(R&D) Act, 2016 in accordance with Section 4 of the RE(R&D) Act, 2016.

68. However, taking into account the prevailing interpretation of Rule 2(1)(j) at the relevant time and the resultant ambiguity surrounding the requirement of registration, the Authority is inclined to take a lenient view with respect to the imposition of penalty under Section 59 & 60 of the RE(R&D) Act. Accordingly, while the Authority holds that the project ought to have been registered, it refrains from invoking penal provisions under Section 59 & 60 of the RE(R&D) Act at this stage. Nonetheless, the Respondents are strictly restrained from undertaking any further acts of advertising, marketing, booking, selling, offering for sale, or inviting persons to purchase any plot or villa in the said project without obtaining registration under the Act. Any future violation shall attract appropriate action under Sections 59, 60, and 63 of the RE(R&D) Act, 2016.

### ***Point II***

69. Complainants vehemently argued that Respondent violated Section 11(2) by not including RERA registration number on its advertisements, Section 11(4)(b) by failing to provide occupancy certificate to the residence of the project that have entered possession of their villas, Section 12 by providing misleading information to buyers by continuing to show the project as HMDA approved gated community while failing to disclose that it is an open plotted layout and the layout permission expired on 03.11.2017, Section 11(4)(a) by failing to provide amenities as listed in the agreement of sale, sale deed, brochure and the website, Section 11(4)(e) by failing to establish residents welfare association, Section 4(2)(l)(D) by

collecting maintenance money in Respondent's bank account and no separate bank account was created by the respondent and that therefore, they are liable for penalty for above-stated violations.

70. Respondent, on the other hand, did not submit any specific averment with respect to such violation but only emphasised on the specific point 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 and that many allottees along with one of the Complainants have been chronic defaulters in the payment of dues. The Respondent also submitted that Complainants without authorization used the signatures of the majority of the other residents of 'Westend Greens' for the purpose of establishing WGMACS who have explicitly expressed their desire to join the society formed directly by the Builder/Respondent and have stated that the Complainants acted with *malafide* intent to tarnish the Respondent's reputation.

71. With respect to these specific submissions made by the Respondent, this Authority is of the considered opinion that as per Section 11(4)(e), Respondent Promoter 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 Respondent failed to form such an association and, in such event, aggrieved by the Respondent not forming an association, residents/allottees were compelled to form their own association which is no violation by the Complainants and other allottees. In the event the Respondent is aggrieved by the formation of the maintenance society, this Authority is not the appropriate forum for adjudication of such grievances, as the principal issue for consideration pertains to the Respondent's abandonment of the project without completing the same.

72. During the course of arguments, the Respondent categorically submitted that the Complainants cannot "force" them to complete the project and it is up to the Respondent to complete it or not. This very argument made by the Respondent is not only inadmissible but also deplorable. This entire legislation has been established to protect the rights of the allottees against promoters like the present Respondent who have no intention to complete the project to the detriment of the innocent allottees. Not only is this act of Respondent in violation of the provisions under the HMDA Act, 2008 but also of Section 14(1) which mandates the promoter develop and complete the project in accordance with the sanctioned plans, layout plans and specifications as approved by the competent authorities. Section 34(f)

of the RE(R&D), 2016 casts obligation on this Authority to ensure compliance of the obligations cast upon the promoters, the allottees and the real estate agents under this Act and the rules and regulations made thereunder and by virtue of the same, this Authority is constrained to issue directions to the Respondent in order to complete the remaining construction.

73. While so, Respondent, in the same breath, it submitted 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. Complainants also submitted that they have no issue with respect to the quality of construction but are aggrieved at how the Respondent abandoned the project without completing the same.

74. Respondent, in its counter affidavit, categorically submitted that Complainants have been living in their respective villas since the last couple of years and that the Respondent has completed a substantial part of the project and completion of the rest of the project was attributed to the market fluctuations in the years 2016-18 due to state bifurcation, note ban and thereafter followed by the Covid-19 outbreak in the years 2019-2022 followed by political dynamics so far which affected the manpower and requisite permissions/clearances. Respondent further submitted that it remains committed to the prompt completion of the project in accordance with all contractual obligations. In accordance thereof, Respondent is liable to complete the project as per its own submission in all respects as alleged and

75. Now the question is whether the Respondent has violated the provisions as mentioned in Para 69 above, and whether Respondent is liable for penalty. As has been settled above that the subject Project falls well within the jurisdiction of this Authority, that goes to mean that remaining provisions of the RE(R&D) Act, 2016 shall also apply on the Respondent promoter, more specifically, Section 11(4)(a) which stipulates that *“be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be.*

*Provided that the responsibility of the promoter, with respect to the structural defect or any other defect for such period as is referred to in sub-section (3) of section 14, shall continue*

*even after the conveyance deed of all the apartments, plots or buildings, as the case may be, to the allottees are executed.”*

76. In line of the same, it can be seen, from the material on record that Respondent has failed to complete the project and admittedly had failed to obtain a completion certificate for the project. In this regard, the Complainant submitted Respondent applied for revalidation of the competent authority permission on 28.02.2017 and then on 20.12.2019, however, Respondent could not secure the revalidation and as per the provisions of the HMDA Act, 2008, the permission is valid only until 03.11.2017, which has duly expired.

77. Complainants brought to the notice of this Authority, through the counter filed by the HMDA in WP No.29045/2019, that Westend Greens is an "open plotted layout contrary to the Respondent's misrepresentation in the marketing brochure that the Project is a "HMDA approved Villa Gated Community". While quoting the words of the HMDA in the counter affidavit so filed by HMDA in the said writ petition, they submitted that 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 (3) model houses only. However, flouting this very condition, the Respondent in their affidavit dated 10.12.2024 has admitted in Appeal No 28 of 2024 filed with the Hon'ble Appellate Tribunal that villa construction has been carried out in 42 plots. Meaning 39 villas have been constructed without having any building permission from HMDA.

78. The act of the Respondent in constructing villas without securing the necessary approvals from the competent authority and appropriate local body, and subsequently selling them to third parties, i.e., the Complainants under the false pretence that all requisite permissions had been obtained, is highly condemnable and reflects a serious lapse in duty on the part of the Respondent Promoter. This conduct is in blatant violation of the HMDA Act, 2008 read with local laws, which requires prior sanction & approval for any development within its purview. Further, the false assurances given to the allottees amount to deliberate misrepresentation, attracting the rigours of Section 60 of the RE(R&D) Act, 2016. Such deceptive practices undermine the integrity of the real estate sector and warrant the imposition of a substantial penalty upon the Respondent Promoter under the said provision.

79. Coming to violations under Sections 11(4)(b) by failing to provide occupancy certificate to the residence of the project that have entered possession of their villas, Respondent has itself admitted that the Project could not be completed on account of several reasons and undertook to complete the same, therefore, appropriate directions in this regard shall be given. Regarding, violation of Section 12 by providing misleading information to

buyers by continuing to show the project as HMDA approved gated community while failing to disclose that it is an open plotted layout and the layout permission expired on 03/11/2017, Section 11(4)(a) by failing to provide amenities as listed in the agreement of sale, sale deed, brochure and the website and Section 11(4)(e) by failing to establish residents welfare association, Complainants are at liberty to approach the Ld. Adjudicating Officer under appropriate form seeking compensation. Regarding, violation of Section 4(2)(I)(D) by collecting maintenance money in Respondent's bank account and no separate bank account was created by the Respondent, as such it has been held earlier that Respondent is in violation of Section 4 for not making an application for registration, and therefore, Respondent is liable for penalty under Section 60.

80. Therefore, *Point II is answered accordingly* and Respondent is in violation of Sections 11 & 14 as discussed above and is liable for penalty under Section 60 & 61 of the RE(R&D) Act, 2016.

### ***Point III***

81. Complainants have prayed for the following:

- 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. Given that Westend Greens, with a completion rate of less than 30% and spanning 12 acres, falls squarely within the ambit of ongoing projects.*
- ii. *Re-instatement of the lapsed HMDA approval (via LP No. 1140/LO/ZO-SKP/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 fulfillment 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 inline with promised amenities as per sale deed*
- v. *Expedited 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.*

82. Regarding reliefs (i) & (ii), (iv) & (v) with respect to registration of the Project, it is already held in Point I above that project falls well within the jurisdiction of this Authority



and Respondent ought to have registered the same. However, subsequently, this Authority has learnt that Respondent does not have requisite permission from the competent authority and the appropriate local body to construct the villas including the villas that have been constructed and sold to the Complainants herein. In this regard, the Respondent shall be directed to approach the Hyderabad Metropolitan Development Authority (HMDA) and the appropriate local authority, i.e., the municipal body, for obtaining the necessary permissions required to complete the project in accordance with the representations made in the brochure. In the event the Respondent fails to secure the requisite approvals from the competent and local authorities, the Respondent shall be held liable, in terms of Section 18 of the RE(R&D) Act, 2016, to refund the amounts received from the allottees along with appropriate compensation for the loss and hardship caused to them. The Respondent 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.

83. Regarding relief (iii)& (vi), Complainants may approach the HMDA for the said relief as this Authority is not the appropriate authority to grant such reliefs.

84. *Accordingly, Point III is answered as above.*

85. This Authority places the Respondent on strict and unequivocal notice that any further engagement in activities such as advertising, marketing, booking, selling, or offering for sale any units in the subject project *without obtaining requisite approvals from the competent authority and without securing registration under Section 3 of the Real Estate (Regulation and Development) Act, 2016* shall attract immediate and severe regulatory consequences. Should it come to the Authority's attention that the Respondent continues to indulge in such impermissible acts, this Authority shall not hesitate to declare the Respondent as a defaulter under the Act, and initiate stringent proceedings including penalties.

86. It is observed that the Respondent has already committed a grave violation of the statutory framework by misrepresenting the nature and extent of approvals obtained specifically by presenting the project as comprising sanctioned residential villas, whereas, in reality, only a model villa approval had been obtained. Such misrepresentations strike at the core of the objectives of the RE(R&D) Act, which was enacted to protect allottees from precisely such instances of misinformation, non-completion, abandonment, and deviation from sanctioned plans.

87. This Authority is of the firm view that such conduct is entirely unacceptable and cannot be condoned. However, bearing in mind the interests of the existing allottees in the project who stand to suffer disproportionately from a project collapse this Authority, in its



regulatory wisdom, deems it appropriate to grant the Respondent a final opportunity to complete the project in accordance with law. The Respondent is thus warned that this leniency shall not be misconstrued as indulgence, and any further deviation shall result in immediate coercive action.

**G. Directions of the Authority:**

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

- i. The Respondent is directed to pay a penalty of Rs.38,59,436/- (Rupees Thirty eight lakhs fifty nine thousand four hundred and thirty six Only) for violating Sections 11 & 14 read with Section 61 of the RE(R&D) Act, 2016 payable within 30 (thirty) days in favor of TG RERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036; and
- ii. The Respondent is hereby directed to approach the Hyderabad Metropolitan Development Authority (HMDA) for obtaining the necessary permissions required to complete the project in accordance with the representations made in the brochure. If the Respondent fails to obtain the approval from the competent the Respondent shall be held liable, in terms of Section 18 of the RE(R&D) Act, 2016, to refund the amounts received from the allottees along with appropriate compensation for the loss and hardship caused to them. The Respondent 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 Respondent is hereby directed that upon obtaining requisite approvals for the completion of the project from the competent authority, the Respondent shall, within a period of ten (10) days from the date of such approval, submit an application for registration of the project under Section 4 of the Real Estate (Regulation and Development) Act, 2016. Until such registration is duly granted by this Authority, the Respondent is 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 shall be viewed as a serious violation of the statutory mandate under Sections 3 and 4 of the RE(R&D) Act, 2016. In such an event, this Authority shall not hesitate to initiate proceedings for declaring the Respondent as a defaulter, in accordance with law, and to invoke all consequential penal provisions under the RE(R&D) Act.

- iv. The parties are hereby informed that non-compliance of directions of the Authority shall attract penalty under Sections 63 of the RE(R&D) Act, 2016.
89. In light of the above, present complaint is disposed of. No order as to costs.

**Sd/-**  
**Sri K. Srinivasa Rao,**  
**Hon'ble Member,**  
**TG RERA**

**Sd/-**  
**Sri Laxmi Narayana Jannu,**  
**Hon'ble Member,**  
**TG RERA**

**Sd/-**  
**Dr. N. Satyanarayana, IAS (Retd.),**  
**Hon'ble Chairperson,**  
**TG RERA**

