

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 24 of 2025

31st October 2025

Quorum:

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

ZRESTA Villa Owners Maintenance Mutually Aided Cooperative Society Ltd.

*(Represented by its Secretary, Registered under Section 5 of
Mutually Aided Cooperative Societies Act, 1995
Vide Registration No. TS/RRD/MACS/2023-11/FOW&M
Having its offices at Club House, Zrestha Villas,
Door No. 10-67, Kokapet (V), Gandipet Mandal,
Ranga Reddy District, 500075)*

... Complainant

Versus

1. M/s. Goldfish Abode Private Limited,

*(Having its Registered office at 7G,
7th Floor, Vaishnavi Cynosure,
Old Mumbai Highway, Hyderabad – 500032)*

2. Sri Chandra Sekhar Vege

*(Rep. by its Managing Director of M/s. Goldfish Abode Pvt. Ltd.,
S/o V.V Venkateshwar Rao, Aged about 43 years,
Occ: Business, Having its Registered office at
7G, 7th Floor, Vaishnavi Cynosure,
Old Mumbai Highway, Hyderabad, 5000322)*

... Respondents

The present matter filed by the Complainant herein, came up for final hearing on 10.06.2025 before this Authority in the presence of Complainant's counsel Sri. Drupad Sangwan, and none appeared on behalf of the Respondents, despite multiple opportunities given to them to appear before the bench, hence they were set *ex-parte* and upon hearing the submissions of the Complainant, this Authority proceeds to pass the following **ORDER**:

2. The present Complaint has been filed by the Complainant society represented by its secretary 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 “TG RE(R&D) Rules”) seeking appropriate relief(s) against the Respondents mentioned therein.

A. Brief facts of the case:

3. The Complainant Society herein is a legally recognized society, formally registered under Section 5 of the Mutually Aided Cooperative Societies Act, 1995, with Registration No. TS/RRD/MACS/2023-11/FOW&M dated 04.02.2023, comprising 42 members, and has authorized Mr. Vikrant its secretary through a resolution to represent it before this Authority. Copies of the Registration Certificate, the Bye-laws of the Society, and the said Resolution are filed as Documents 1 to 3. It is further submitted that Respondent No. 1, a company based in Hyderabad, incorporated under the Companies Act, 1956, is engaged in the business of developing residential and commercial projects, and Respondent No. 2, its Managing Director, is responsible for overseeing the development of such projects including “Goldfish-Zresta.”

4. It is submitted that the Respondent Company, having learnt of the intent of the members of the Complainant Society to purchase villas, through its Managing Director (Respondent No. 2), individually approached the members, introduced them to its ventures, and advertised the supreme quality of its constructions, including those in the incubation stage. The members were informed about the ongoing project under the name and style of “Goldfish-Zresta,” a gated community of 42 villas consisting of Ground + 2 upper floors, located at Kokapet Village, Narsingi Municipality, Gandipet Mandal (earlier Rajender Nagar Mandal), Ranga Reddy District, Telangana State. Additionally, the Respondents persuaded the members to purchase villas with the intent of using their reputation and popularity for wider publicity and customer attraction. The Respondents also obtained permission from the (“HMDA”) Hyderabad Metropolitan Development Authority, vide Letter No:104623/GHSLO/ORRGC/Plg/HMDA/2013 dated 21.02.2015 for developing the project. The members of the Complainant Society are allottees, being sale deed holders, agreement holders, or MOU holders, and are residing in their respective villas.

5. It is submitted that the members of the Complainant Society have endeavoured to create a community that has drawn significant attention and attracted several prominent and reputed individuals of the city, thereby enhancing its prestige and status. Their decision to make this community their home reflects the promises assured by the Respondents, including careful planning, superior amenities, and a harmonious living environment. The Respondent

Company assured and guaranteed to provide various services, facilities, and amenities, on the basis of which the members purchased villas in the project by executing sale deeds/agreements and paying sale consideration. The details of the specifications and amenities that were promised by the respondents are as follows:

A. Recreational activities:

- i. Sunrise & Sunset Watching
- ii. Bird Watching
- iii. Stargazing
- iv. Nature Walkes

B. Units

Unit Type	Built-Up Area	Bathrooms
4 BHK VILLA	5797.0 sqft	4
4 BHK VILLA	5896.0 sqft	4

C. Amenities

- i. Gym
- ii. Swimming Pool
- iii. Clubhouse
- iv. Yoga/ Meditation Hall
- v. Jogging track
- vi. Basketball Court
- vii. Tennis Court
- viii. Indoor Games
- ix. Amphitheatre
- x. Banquet Hall
- xi. Lakeside Bio-pool
- xii. Private Party Lounge
- xiii. Billiards & Cards
- xiv. Pet Park
- xv. Out Door Games
- xvi. Other Amenities

6. Requirement of Registration of the present project under RERA: It is respectfully submitted that the Respondents, through aggressive marketing and repeated assurances regarding timely completion and provision of promised amenities, induced the members of the Complainant Society to purchase villas in the project. The Respondents created a legitimate expectation that the members would be able to occupy their homes within the stipulated time. However, despite such assurances, the Respondents failed to fulfill their

commitments, leaving the project incomplete and without obtaining the mandatory “Occupation Certificate” or “Completion Certificate” from HMDA. Consequently, the project remains an ongoing project under the provisions of RE(R&D) Act, 2016 and is mandatorily required to be registered in accordance with Section 3 of the Act.

7. The Complainant Society submits that the Hon’ble Supreme Court, in *Newtech Promoters & Developers (P) Ltd. v. State of U.P.* [(2021) 18 SCC 1], categorically held that all ongoing projects lacking a completion certificate must be retroactively registered under RERA to safeguard the interests of allottees. The Respondents’ failure to register the project, despite being legally bound to do so, violates this statutory mandate and deprives the Complainant Society members of the protections guaranteed under the RE(R&D) Act.

8. It is further submitted that the project was originally scheduled to be completed by 2018 under HMDA permission dated 21.02.2015, which, as per G.O. Ms. No. 276 MA dated 02.07.2010, required completion of developmental works within three years and submission of a requisition for release of plots/areas which were mortgaged in favour of HMDA. However, the Respondents failed to complete the works and, instead, sold several villas to the Complainant Society members and delivered possession without completing the project. As of the commencement of the RE(R&D) Act, 2016 on 01.01.2017, the HMDA permission was still valid, thereby obligating the Respondents to ensure mandatory registration and compliance with the provisions of the Act.

9. It is submitted that the Respondents subsequently approached the HMDA without informing the members of the Complainant Society and sought revalidation of the original permission bearing Letter No. 104623/GHSLO/ORRGC/Plg/HMDA/2013 dated 21.02.2015. The HMDA, vide revalidation letter dated 15.04.2023 bearing Lr. No. 104623/GHSLO/ORRGC/P/H/2013, extended the project completion deadline until 31.03.2025. The Respondents deliberately suppressed this fact of revalidation to the members, despite seeking it nearly five years after the earlier dated of completion of project. This revalidation, in fact, gives a fresh cause for registration of the Project with RERA, which has still not been done. When the members raised concerns about the delay, the Respondents and their staff were unresponsive and displayed a lackadaisical attitude. A copy of the said revalidation letter is filed as Document No. 6, and the Complainant Society reserve its right to submit representations against the same.

10. It is further submitted that by failing to register the Project under the RE(R&D) Act 2016, the Respondents have violated statutory requirements and deprived the members of the Complainant Society of protections guaranteed under the Act. The proviso to Section 3 mandates that any ongoing project lacking a completion certificate at the commencement of the Act must be registered. The Respondents were under a legal obligations to register the Project and extend all safeguards to the members. Instead, they bypassed this obligation and sought revalidation without disclosure or consent, clearly indicating their intent to evade their legal responsibilities. The Hon'ble Supreme Court in *Newtech Promoters & Developers (P) Ltd. v. State of U.P.*, [(2021) 18 SCC 1], has categorically held that RERA provisions have retroactive effect and cover projects commenced before the Act where no completion/occupancy certificate has been obtained, thereby protecting the interests of allottees.

11. It is submitted that at the time of executing sale deeds, the Respondents assured the members of the Complainant Society that they would be entitled to possess and enjoy all common areas, amenities, and facilities within the project land. However, despite the lapse of several years, the Respondents have failed to complete the Project and deliver the promised facilities.

12. The Respondents to date did not form an Association as promised in the Sale Deed: Moreover, the Respondents had an express as well as an implied obligation to facilitate the formation of an Association or Society of the Villa owners in the Project, which was essential for the proper management, maintenance, and administration of the community. This obligation flows from the Sale Deeds executed by the Respondents in favour of the members of the Complainant Society, as well as from the allotment of the Villas. Having executed the Sale Deeds/Agreements, the Respondents were duty-bound to create such an Association/Society and to provide a structured and formal mechanism for addressing the collective needs of the Villa owners, ensuring the delivery of essential services, and maintaining the overall standards of living within the Project. However, the Respondents wilfully neglected and, with ulterior motives, failed to form such an Association/Society as assured. This deliberate failure constitutes a breach of their obligations and has resulted in serious detriment to the Villa owners, who were thereby deprived of a unified platform to redress grievances and manage the common areas and facilities.

13. The Respondents' deliberate inaction compelled the members of the Complainant Society to independently form the present Society solely to meet their basic requirements and to ensure the continued upkeep of the Project. This step was taken out of absolute necessity, as the Respondents failed to provide even the most basic amenities such as security, water supply, and sanitation. The Respondents' negligence and abdication of their responsibilities forced the Villa owners to take matters into their own hands, thereby leading to the formation of the Complainant Society.

14. It is pertinent to highlight that the formation of the Complainant Society was not a voluntary act, but a compelled response to the dire circumstances created by the Respondents' failure to discharge their obligations. Owing to such failure, the Villa owners have suffered undue hardship both financially and in terms of the quality of life within the Project. The Respondents' neglect and refusal to act, left the Villa owners with no option but to organize themselves in order to safeguard their interests and ensure the continued habitability and proper functioning of their community.

15. Non-Execution of service Agreement and Illegal Collection of Reimbursement Charges: It is submitted that the Respondents had assured the members of the Complainant Society that a Service Agreement would be executed, under which essential services and amenities would be provided in exchange for a maintenance fee. However, no such agreement has been executed to date, nor have the Respondents produced any document evidencing its existence. Despite this, they have continued to levy charges on the members under the guise of "Reimbursement Expenses," causing a severe financial burden while failing to provide even basic facilities such as security, water supply, and sanitation.

16. It is further submitted that the Respondents unlawfully collected substantial amounts towards advance and deposit maintenance charges without executing a valid Service Agreement or obtaining the Occupancy Certificate. This constitutes a clear breach of contractual and fiduciary obligations, apart from being a violation of the provisions of the Real Estate (Regulation and Development) Act, 2016, which mandates promoters to execute written agreements before collecting any such charges from allottees. The collection of these sums, therefore, is illegal, arbitrary, and *void ab initio*.

17. By misrepresenting that the charges were in accordance with a Service Agreement that was never executed, the Respondents induced the members to make payments under false pretences. Such conduct amounts to fraudulent misrepresentation, unjust enrichment, and a

grave breach of trust. The Complainant Society, therefore, seeks refund of the amounts wrongfully collected, along with interest, and prays that the Respondents be held liable for their contractual, statutory, and fiduciary breaches.

18. Collection and siphoning of Corpus Fund: It is submitted that the Respondents have further collected an amount of ₹250/- per sq. ft. from each villa owner between 2021 and 2023, towards a purported corpus fund, aggregating to ₹3,96,38,781/- (Rupees Three Crores Ninety-Six Lakhs Thirty-Eight Thousand Seven Hundred and Eighty-One only). Shockingly, this substantial amount has been wrongfully retained in the Respondents' personal account instead of being deposited in a designated corpus fund account meant exclusively for the benefit of the members of the Complainant Society.

19. The Respondents' act of retaining the corpus fund in their personal account constitutes clear misappropriation and a grave violation of their legal and fiduciary obligations. The corpus fund is a collective asset intended to safeguard the long-term maintenance and financial stability of the community. Its diversion and retention in a personal account undermines the financial security of the members and constitutes an illegal act, making the Respondents liable for criminal prosecution under provisions relating to misappropriation and embezzlement under relevant laws.

20. It is further submitted that the Respondents' unlawful retention and control over the corpus fund amounts to unjust enrichment at the expense of the villa owners. By holding and benefiting from funds that do not belong to them, the Respondents have caused wrongful loss to the members of the Complainant Society, who are entitled to immediate restitution of these monies along with accrued interest and any profits earned during the period of such illegal retention.

21. The Complainant Society has reliable information that, after being questioned by the members, the Respondents transferred the said corpus funds to another undisclosed bank account, raising a serious apprehension of misuse. Such actions, coupled with the Respondents' continued failure to complete several promised works, amount to criminal breach of trust, fraud, and misappropriation, each carrying grave legal consequences. The Complainant Society reserves its right to initiate appropriate criminal proceedings to hold the Respondents accountable for these illegal and unethical actions.

22. Several Works promised but have not been completed: It is submitted that even after more than 10 years since obtaining the necessary permissions, the Respondents have failed to

complete key amenities promised to the residents, including the Club House, Community Hall, manholes, and the Swimming Pool. This prolonged inaction has deprived over 20 families, including children and elderly persons, of their rightful use and enjoyment of essential facilities, forcing them to live without basic amenities and in unsafe conditions.

23. It is submitted that the members of the Complainant Society have raised these issues with the Respondents on numerous occasions, including through an email dated 08.11.2023, wherein detailed grievances were documented and supported by photographs. Despite these repeated efforts, the Respondents have taken no action to address the concerns raised by the residents. Furthermore, it is alarming that the Project remains incomplete even after the lapse of 10 years since the Respondents obtained the necessary permits. This extended delay has not only caused great inconvenience but has also created a hostile living environment. The incomplete villas within the Project have become breeding grounds for mosquitoes, spiders, ants, and other pests, and have attracted stray animals such as dogs and even snakes. The abandoned and unfinished structures have turned into a source of nuisance, posing health risks to the residents and creating a negative and eerie atmosphere. The incomplete and deteriorating state of the Project has also adversely affected the rental returns of the properties, causing financial losses to the residents.

24. In particular, the Swimming Pool remains incomplete and unrepaired, with its external wall damaged in May 2024, highlighting the Respondents' use of substandard construction. The deliberate refusal to hand over or complete these promised facilities constitutes a clear breach of contractual and statutory obligations under the RE(R&D) Act, 2016 subjecting the residents to continued hardship, risk, and inconvenience.

25. Failure to construct Road: It is submitted that the Respondents have failed to fulfil their obligation to develop the 12.2-meter-wide BT road within the 30-meter Master Plan Road, including securing the necessary NOCs from the Chief Engineer, HMDA, and other authorities. Despite repeated requests by the members of the Complainant Society, the Respondents have neither obtained the requisite approvals nor undertaken the construction, leaving this vital infrastructure incomplete and causing severe inconvenience to the residents.

26. Even after more than five years since the promised completion date, the Respondents have not delivered the essential amenities and infrastructure, depriving the members of the rightful use and enjoyment of their properties. The prolonged delays have resulted in significant financial strain, frustration, and disappointment for the villa owners, who had

invested substantial sums with the expectation of timely completion. The Respondents have also wrongfully retained the corpus fund of the Society, amounting to several crores, in their personal accounts instead of depositing it in a designated Society-managed account. The Complainant Society seeks immediate refund of the entire corpus fund with accrued interest along with a full and transparent accounting of all related financial transactions.

27. Furthermore, the Respondents continue to collect advance maintenance charges illegally, despite not having obtained the mandatory Occupation Certificate and Completion Certificate for the Project. Such unauthorized collections, without ensuring the Project's lawful completion, amount to unjust enrichment and constitute a breach of statutory obligations under the RE(R&D) Act, 2016. These unlawful acts have caused grave hardship to the residents, who are being compelled to bear an unfair financial burden without enjoying the promised facilities.

28. Unauthorised Entry into the Electricity Panel Room and breach of peace: It is submitted that individuals claiming to be employees or agents of the Respondents, including Mr. Gokul, Ms. Sunitha, and another unidentified person, unlawfully entered the electricity panel room of the Project without any authorization from the Complainant Society. During this unauthorized entry, they engaged in an altercation with the security personnel and issued threats, thereby creating fear and intimidation among the residents. The electricity panel room is a sensitive and restricted area, and such forceful and unauthorized access not only violated community security protocols but also endangered the safety of the residents by jeopardizing the integrity of the electricity infrastructure.

29. Further, on 16.07.2024 at around 11:30 AM, individuals associated with the Respondents, accompanied by bouncers and private security guards, unlawfully trespassed into the Project premises without any prior notice or consent. In the course of this intrusion, the on-duty security guard was physically pushed and manhandled, constituting assault and breach of peace. The deliberate use of bouncers to intimidate the members of the Complainant Society created an atmosphere of fear and tension, clearly reflecting the Respondents' disregard for the rights and safety of the residents. A formal complaint was filed with the Director General of Police on the same day.

30. These incidents are not isolated but part of a pattern of unauthorized and aggressive actions by or at the behest of the Respondents, who, instead of fulfilling their statutory and contractual obligations, have resorted to coercive tactics. Despite the Complainant Society's

willingness to cooperate for the completion of the Project, the Respondents have shown no genuine effort towards progress, while continuing to allow their representatives to endanger the safety and peace of the community. The continued inaction of the Respondents, coupled with repeated acts of trespass, intimidation, and threats by their representatives, has created an atmosphere of fear and insecurity within the Project. The residents, who expected safety and peaceful enjoyment of their homes, now live in a hostile environment caused by those legally responsible for their protection.

31. Non-operational sewage Treatment Plant and water treatment Plant: It is submitted that during the peak summer month of May 2024, the members of the Complainant Society faced grave difficulties as the Sewage Treatment Plant (STP) and Water Treatment Plant within the Project were found to be non-functional. The failure of these critical facilities caused severe inconvenience and posed serious health and environmental hazards. In particular, the non-operational STP led to the reckless discharge of untreated sewage into a nearby lake, contaminating the water body in clear violation of environmental regulations and the Respondents' statutory obligations. Despite having collected STP and maintenance charges from the members, the Respondents failed to ensure the proper operation and upkeep of these facilities. The Water Treatment Plant was in a state of disrepair, with the water motor requiring urgent repairs. The Respondents ignored repeated requests for corrective action, forcing residents to depend on external water tankers for drinking water, thereby raising grave concerns about the safety and quality of water being consumed during the critical summer months.

32. The Respondent's consistent negligence and failure to address these essential services, despite having received full payments from the residents, demonstrates a blatant disregard for their contractual and statutory obligations. Their inaction has created unsanitary and unsafe living conditions within the Project, amounting to gross negligence and a serious breach of trust, thereby causing the residents undue hardship, health risks, and financial loss.

33. Respondent's deliberate disregard for the Complainant society's communications: It is submitted that the Respondents, despite receiving numerous emails and formal communications from the Complainant Society detailing ongoing issues and grievances, have wilfully chosen to ignore these legitimate concerns. Such deliberate disregard is not a mere oversight but a calculated attempt to evade their obligations and exert undue pressure on the members of the Complainant Society. This conduct is not only negligent but also in bad faith,

aimed at undermining the members' rights and delaying necessary corrective actions. Furthermore, the Respondents have escalated matters by issuing baseless threats of legal action, intended solely to intimidate the residents into silence and acquiescence. These coercive tactics are designed to suppress the valid and lawful claims of the Complainant Society while avoiding accountability for their continued failures.

34. It is further submitted that FIR No. 44 of 2024 was registered on 05.09.2024 with the Cyberabad Police, Economic Offences Wing, based on the Complainant Society's allegations of unauthorized property registrations and large-scale misappropriation of funds, including illegal diversion of amounts collected towards corpus and advance maintenance. The police are actively investigating these allegations, with relevant financial documents under scrutiny. The Complainant Society reserves the right to submit any further evidence as the investigation progresses. While this complaint addresses collective grievances affecting the entire community, each member expressly reserves the right to pursue separate legal remedies for individual claims, ensuring their personal rights remain fully protected. Moreover, the Respondents have escalated their intimidation by filing frivolous civil proceedings, including O.S. No. 47 of 2024 (renumbered as O.S. No. 330 of 2024) before the Hon'ble XII Additional District Judge, Ranga Reddy District, and CMA No. 270 of 2024 before the Hon'ble High Court, obtained through misrepresentation of material facts. The Complainant Society and its members are actively contesting these proceedings in accordance with law.

B. Relief(s) sought:

35. In view of the above-mentioned facts and circumstances, the Complainant Society has humbly prayed for the following reliefs:

- a. Initiate penalty proceedings against Respondents for non-registration of the Project in accordance with Section 3 of the RE(R&D) Act;
- b. To direct the Respondents to transfer a total amount of Rs. 6,81,78,726/- collected towards the corpus fund Rs. 3,96,38,781/-) and advance maintenance charges (Rs. 2,85,39,945/-) to the Complainant Society with interest @24% p.a. to the Complainant Society Bank Account;
- c. To direct the Respondents to complete common amenities such as clubhouse, pool, repairs, roads, etc.
- d. To direct the Respondents to place on record all the necessary permissions obtained from all the authorities;

- e. To direct the Respondents herein to pay the costs of the present litigation.
- f. To pass such other orders or orders as may deem fit and property by the authority in the interest of justice.

C. Points for consideration:

36. In view of the facts above and the relief(s) sought, the following questions came up for consideration before this Authority:

- I. Whether the Respondents have violated Section 3 of RE(R&D) Act in respect of the project “Goldfish Zresta”?
- II. Whether the Complainant Society is entitled to the relief(s) sought? If so, to what extent?

D. Observations and findings of the Authority:

37. In the present case, notice was issued on 21.01.2025 directing the Respondent to file a counter and appear before this Authority on 19.02.2025. Despite due service, the Respondent remained absent on multiple occasions. Upon refusal to receive notice, service was effected by affixation, and subsequently, by substituted service through publication in widely circulated Telugu and English newspapers. As the Respondent still failed to appear, this Authority, having satisfied itself of due service, proceeded to set the Respondent *ex-parte* on 10.06.2025.

Point I

38. The Complainants have submitted that Respondent No. 2, representing the real estate business of the Respondents, approached the allottees of the concerned project and assured them of the superior quality, timely completion, and credibility of their proposed development projects. Specifically, the Respondents represented that the project titled “Goldfish Zresta”, comprising 42 villas (Ground + 2 Upper Floors), would be completed within the stipulated period along with all promised amenities. The Hyderabad Metropolitan Development Authority (HMDA) granted development permission for the said project vide Letter No. 104623/GHSLO/ORRGC/Plg/HMDA/2013 dated 21.02.2015. Relying on such representations, the allottees who hold registered Sale Deeds and/or Agreements of Sale proceeded to take possession of their respective villas.

39. It is alleged that despite having received the entire sale consideration, the Respondents failed to complete the project in all respects or obtain the requisite Completion Certificate or Occupancy Certificate from HMDA. Several villas, along with common amenities and infrastructure facilities, remain incomplete well beyond the originally stipulated completion period of 2018. It is further submitted that the Respondents proceeded to sell and hand over possession to the allottees, relying merely on the subsisting HMDA approval as of 01.01.2017, thereby acting in contravention of both statutory and contractual obligations. Even as per G.O.Ms.No. 276, Municipal Administration and Urban Development Department, dated 02.07.2010 whereunder the permissible period for layout completion was extended by three years the Respondents were required to complete the project and obtain necessary approvals by 21.02.2018, which they have admittedly failed to do.

40. Under Section 3(1) of the Real Estate (Regulation and Development) Act, 2016, any project exceeding eight units or 500 square meters that has not received a Completion Certificate or Occupancy Certificate as on the date of commencement of the Act is deemed an “ongoing project” and falls within the regulatory jurisdiction of this Authority. The Sale Deeds placed before this Authority indicate that transactions with certain allottees were executed as late as 26.06.2021, which clearly establishes that the Respondents continued to market and sell units in the project even after the Act came into force. It is an undisputed fact that no Occupancy Certificate has been obtained to date.

For ease of reference, Section 3(1) of the RE(R&D) Act stipulates that:

“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:

Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act:

Provided further that if the Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but with the requisite permission of the local authority, it may, by order, direct the promoter of such project to register with the Authority, and the provisions of this Act or the rules and regulations made thereunder, shall apply to such projects from that stage of registration.”

Further Rule 2(1)(j) of TG RE(R&D) Rules 2017,

“Ongoing Project” means means a Project where development is going on and for which Occupancy Certificate or Completion Certificate from the Competent Authority has not been issued as on the date of coming into force as per subsection (1) of section 3 of the Real Estate (Regulation & Development) Act, 2016.

41. When read conjointly with Rule 2(1)(j) of the Telangana Real Estate (Regulation and Development) Rules, 2017, which defines an “ongoing project” as one where “development is in progress and for which the Occupancy Certificate or Completion Certificate has not been issued as on the date of coming into force of the RE(R&D) Act,” it becomes manifestly clear that the Goldfish Zresta project squarely falls within the ambit of an ongoing project.

42. The Respondents own conduct corroborates this position. They approached HMDA and obtained revalidation of the earlier permission vide Letter No. 104623/GHSLO/ORRGC/Plg/HMDA/2013 dated 15.04.2023, extending the validity of the development permission up to 31.03.2025. This clearly indicates that the project remains incomplete and continues to be under development.

43. In view of the foregoing, this Authority finds that the project “Goldfish Zresta” qualifies as an ongoing project under Section 3(1) of the RE(R&D) Act, 2016. The Respondents, having executed Agreements of Sale and Sale Deeds as late as 2021, and having failed to obtain an Occupancy Certificate while simultaneously obtaining revalidation from the competent authority, were mandatorily required to register the project with this Authority. Their failure to do so constitutes a clear violation of Section 3 of the RE(R&D) Act, 2016.

Point II

a. With regard to the relief, direct the Respondents to transfer a total amount of Rs. 6,81,78,726/- collected towards the corpus fund Rs. 3,96,38,781/- and advance maintenance charges Rs. 2,85,39,945/- to the Complainant society with interest @24% p.a. to the Complainants Bank Account;

44. The Complainant Society has sought a direction to the Respondents to transfer a total sum of ₹6,81,78,726/-, comprising ₹3,96,38,781/- collected towards corpus fund and

₹2,85,39,945/- collected towards advance maintenance charges, along with interest at 24% per annum, to the Complainant Society's designated bank account.

45. Upon consideration of the submissions and documents placed on record, including copies of Sale Deeds executed between the Respondents and various allottees of the project, it is the specific contention of the Complainant Society that the Respondents collected ₹250/- per sq. ft. from villa owners during the period 2021–2023, aggregating to ₹3,96,38,781/- towards corpus fund. It is further alleged that the said amount was retained by the Respondents in their personal account instead of being transferred to a designated corpus fund account of the Society.

46. In this regard, it is pertinent to refer to Section 11(4)(d) of the Real Estate (Regulation and Development) Act, 2016, which mandates that the promoter shall be responsible for providing and maintaining essential services on reasonable charges until the taking over of maintenance by the registered Association of Allottees. Accordingly, Respondent No.1, being the promoter, bears a continuing statutory obligation to ensure proper maintenance of the project and judicious management of the maintenance amounts collected from allottees until such responsibility is lawfully handed over to the registered association.

47. It is a settled principle that the corpus fund collected from allottees is to be utilised exclusively for the welfare and common benefit of the residents of the project, and not for any personal or unrelated purposes. The promoter, upon completion of the project and subsequent handover of maintenance responsibilities to the registered Association of Allottees, is under an obligation to transfer the entire corpus fund collected from the allottees, together with applicable interest, to the association's designated account.

48. The record further reveals that in O.S. No. 47 of 2024 on the file of the Hon'ble Vacation Judge, Ranga Reddy District, the Respondents herein were the plaintiffs, and the present Complainant was arrayed as Respondent No.33. In the said suit, an application in I.A. No. 77 of 2024 was filed by the Respondents seeking interim relief, wherein the Hon'ble Court, by order dated 21.05.2024, directed the parties to maintain *status quo* with respect to the schedule property till 05.06.2024. Subsequently, the Respondents preferred C.M.A. No. 270 of 2024 before the Hon'ble High Court of Telangana and filed I.A. No. 1 of 2024 therein, seeking ad-interim injunction to enable them to continue providing maintenance services and to complete pending works within the villas owned by them in the project. The Hon'ble High Court, while issuing notice, was pleased to observe that the *status quo* order

dated 21.05.2024 shall not preclude the appellants from providing maintenance services and completing the unfinished works in their villas. The matter was directed to be posted on 25.06.2024.

49. In view of the aforesaid directions, it is evident that the project has not yet attained full completion, and the responsibility of providing maintenance continues to vest with the promoter as of now. As per Section 11(4)(d) of the Act, the promoter is bound to provide and maintain essential services at reasonable charges until the registered Association of Allottees formally assumes charge of maintenance. Accordingly, so long as the project remains incomplete and the handover has not been effectuated, the Respondents are obligated to continue providing essential maintenance services and bear responsibility for their proper execution in accordance with law.

51. It is also imperative to note that the corpus fund collected from allottees constitutes a trust-like obligation on the part of the promoter, meant for the collective welfare of the project. The promoter is therefore duty-bound to preserve such funds and transfer them, along with accrued interest, to the Association immediately upon completion and formal handover of the project.

b. With regard to the relief to direct the Respondents to complete common amenities such as clubhouse, pool, repairs, roads, etc:

52. The Complainants have sought a categorical direction to the Respondents to complete the pending common amenities and infrastructure works in the project “*Goldfish Zresta*”, including the clubhouse, swimming pool, community hall, internal BT roads, master plan road connectivity, and other facilities as explicitly promised in the brochure, sanctioned plans, and the registered Agreements of Sale. The documentary record, including the Agreements of Sale, project brochure, and registered sale deeds, unambiguously establishes that these amenities form an integral and inseparable component of the overall project consideration and constitute binding contractual assurances made by the Promoter to the allottee.

53. The Agreements of Sale specifically enumerate the project specifications, RCC framed structure, imported flooring, centralized air-conditioning, solar power generation, landscaped open spaces, swimming pool, internal roads, drainage and water supply lines, among others. These representations and commitments in the agreement of sales are not mere promotional statements but are statutorily enforceable obligations of the Promoter under

the Real Estate (Regulation and Development) Act, 2016. The very objective of the RE(R&D) Act, as articulated in its Preamble, is “to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector in an efficient and transparent manner and to protect the interest of consumers in the real estate sector”. This statutory intent leaves no scope for the promoter to deviate from sanctioned plans or defer completion of amenities indefinitely.

54. The Complainants have demonstrated through photographic and documentary evidence that certain common amenities such as the clubhouse and swimming pool remain incomplete and that several essential works have been abandoned midway. The prolonged delay, despite full payments made by the allottees, deprives them of the legitimate enjoyment of the project facilities forming part of the agreed consideration. Such conduct is contrary to the very ethos of the RE(R&D) Act, which seeks to ensure *timely completion and delivery* of all promised components of a real estate project.

55. Section 11(4)(a) of the RE(R&D) Act casts a clear and continuing statutory obligation upon the promoter, which reads as follows:

“Section 11(4)(a) – The promoter shall 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.”

56. This provision mandates that the promoter remains responsible for completion of all common amenities, facilities, and infrastructure in accordance with the sanctioned plans and the terms of the Agreement for Sale, until lawful conveyance of the common areas.

57. The record discloses that the Respondent had committed to completing the project within 30 months from the date of final approval from HMDA, and further publicized December 2019 as the expected completion timeline. However, repeated extensions and revalidations of approvals coupled with continued inaction on ground clearly reflect failure to perform the fundamental obligations envisaged under the RE(R&D) Act. The inordinate delay has caused undue hardship to the allottees and constitutes a violation of the statutory duties imposed on the promoter.

58. This Authority further notes with grave concern that, keeping the allottees completely in the dark, the Respondent proceeded to obtain revalidation of the project approval from HMDA without obtaining the mandatory consent of at least two-thirds of the allottees, as required under Section 14(2)(ii) of the RE(R&D) Act. The said provision explicitly prohibits any alteration or addition in the sanctioned plan, layout plan, or specifications of the buildings or common areas within the project without the prior written consent of not less than two-thirds of the allottees. The Respondent, despite being fully aware of this statutory requirement, neither sought nor obtained such consent, thereby acting in complete disregard of the legislative mandate and the rights of the allottees.

59. Even though the project is yet to be registered before this Authority, it squarely falls within the ambit of the RE(R&D) Act as an ongoing project under Section 3(1) read with Rule 2(1)(j) of the Telangana Real Estate (Regulation and Development) Rules, 2017. Consequently, the Respondent is legally bound to comply with all obligations arising under the RE(R&D) Act and the TG RE(R&D) Rules made thereunder. Instead, the Respondent has taken undue advantage of successive revalidations, while simultaneously evading compliance with the mandatory statutory framework. The Respondent has failed to complete the project, has not obtained the Occupancy Certificate, and has continued to operate outside the fold of regulatory oversight in blatant violation of the RE(R&D) Act.

60. In light of the above findings, this Authority holds that the Respondent is in flagrant violation of Sections 11(4)(a) and 14(2)(ii) of the Real Estate (Regulation and Development) Act, 2016, for failure to complete and deliver the promised amenities and infrastructure in accordance with the sanctioned plans and for effecting material changes in project permissions without requisite consent of the allottees. The Respondent cannot be permitted to frustrate the legitimate expectations of the allottees, nor can such disregard of statutory obligations be condoned in view of the consumer protection mandate embedded in the RE(R&D) Act..

61. Accordingly, this Authority directs the Respondent to complete pending common amenities and infrastructure and all other promised amenities strictly in conformity with the approved plans and specifications, within 90 (ninety) days from the date of this Order.

c. With regard to the relief, direct the Respondents to place on record all the necessary permissions obtained from all the authorities.

62. The relief sought by the Complainants squarely falls within the ambit of Section 11(3)(a) of the Real Estate (Regulation and Development) Act, 2016, which casts a mandatory statutory obligation upon the promoter to make available to the allottees, and to this Authority, all sanctioned plans, layout plans, and specifications duly approved by the competent authority. This requirement is not a mere procedural formality but a substantive duty grounded in the object and spirit of the Act, which is to ensure transparency, accountability, and protection of consumer interest in the real estate sector.

Section 11(3)(a) of the RE(R&D) Act, 2016 reads as under:

(a) sanctioned plans, layout plans, along with specifications, approved by the competent authority, by display at the site or such other place as may be specified by the regulations made by the Authority;

In furtherance of this obligation, Section 19(5) of the RE(R&D) Act confers a corresponding right upon the allottee, providing that::

“The allottee shall be entitled to have the necessary documents and plans, including that of common areas, after handing over of the physical possession of the apartment by the promoter.”

63. The legislative intent underlying these provisions is explicit and unambiguous to eliminate information asymmetry between the promoter and the allottees and to promote a regime of full disclosure and transparency. The promoter cannot be permitted to withhold, suppress, or selectively disclose any statutory approvals or permissions that form the basis of the project’s legality and execution. Such non-disclosure would not only contravene the provisions of the RE(R&D) Act but also undermine its consumer protection mandate as enshrined in the Preamble, which emphasizes the need to “protect the interest of consumers in the real estate sector and to ensure transparency in project execution.

64. As in the present case, the Respondent has failed to register the concerned project before this Authority, the allottees are deprived of even the basic facility of verifying project details on the official RERA web portal a transparency mechanism available to every duly registered project. Consequently, the concerns raised by the Complainants regarding the

absence of information on the current status of revalidations, permits, and permissions obtained for the project's completion period are well-founded. The allottees have been left without any knowledge of the approvals or extensions, if any, secured from the competent authorities. This state of opacity clearly reflects a lack of transparency and accountability on the part of the Respondent, thereby defeating the very purpose and legislative scheme of the Real Estate (Regulation and Development) Act, 2016. Such conduct constitutes a clear breach of the statutory obligations imposed under Sections 11(3)(a) and 19(5) of the RE(R&D) Act and cannot be countenanced by this Authority.

65. Accordingly, Respondent No. 1 is hereby directed to make available to the Association of Allottees, all requisite permissions, sanctioned plans, layout plans, building permits, approvals, and specifications duly approved by the competent authorities, within a period of 15 (fifteen) days from the date of this Order.

66. This Authority takes serious note of the conduct and attitude of the Respondent. Despite having obtained revalidation of approvals and being fully aware of the statutory framework governing real estate projects under the Real Estate (Regulation and Development) Act, 2016 and the Telangana Real Estate (Regulation and Development) Rules, 2017, including the amendment to Rule 2(1)(j), the Respondent has chosen to remain non-compliant. The Respondent has repeatedly disregarded the notices issued by this Authority and has failed to appear even once before it. Such deliberate abstention and disregard for the regulatory process reflect a willful and contumacious defiance of the law and of the Authority's directions.

67. Accordingly, this Authority issues a final caution to the Respondent to forthwith comply with the directions contained in this Order and to adhere strictly to the provisions of the Real Estate (Regulation and Development) Act, 2016 and the Telangana Rules framed thereunder. In the event of continued non-compliance, this Authority shall proceed to initiate action under Sections 63 of RE(R&D) Act, including declaring the Respondent a defaulter for willful violation of the statutory provisions and the orders of this Authority, without any further notice.

E. Directions of the Authority:

68. In light of the foregoing discussion, findings, and conclusions recorded hereinabove, and in exercise of the powers conferred upon this Authority under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, the following directions are hereby issued to the Respondents:

- i. This Authority declares that the project titled “*Goldfish Zresta*” qualifies as an “ongoing project” under Section 3(1) of the Real Estate (Regulation and Development) Act, 2016 read with Rule 2(1)(j) of the Telangana Real Estate (Regulation and Development) Rules, 2017. The Respondents were under a mandatory statutory obligation to register the said project with this Authority and have failed to do so. Accordingly, the Respondents are hereby directed to forthwith apply for registration of the project “*Goldfish Zresta*” with this Authority within 30 (thirty) days from the date of this Order, in compliance with Section 3 and 4 of the RE(R&D) Act, 2016.
 - a) The Respondent is hereby prohibited from advertising, marketing, booking, selling, or offering for sale any plot, apartment, or building in any real estate project without obtaining prior registration of the said project with the Telangana Real Estate Regulatory Authority (TG RERA). The Secretary, TG RERA, is directed to initiate appropriate proceedings for imposition of penalty against the Respondent for contravention of Sections 3, 4, and 11(4) (a) of the RE (R & D) Act, 2016, read with Sections 59, 60, and 61 of the said Act, subject to the approval of the Authority.
- ii. The Respondent no.1 hereby directed to transfer a total sum of ₹6,81,78,726/- (Rupees Six Crore Eighty-One Lakh Seventy-Eight Thousand Seven Hundred and Twenty-Six only), comprising ₹3,96,38,781/- collected towards corpus fund and ₹2,85,39,945/- collected towards advance maintenance charges along with applicable interest once the project is handed over to the registered association of allottee of the concerned project.
- iii. The Respondent no.1 is directed to complete all pending amenities and infrastructure works in the project as assured to the complainants in the agreement of sale and in accordance sanction plan, within 90 days from the date of this order.

- iv. The Respondent no.1 is directed to place on record before this Authority, and simultaneously make available to the Complainant association, all requisite permissions, sanctioned plans, layout plans, building permits, revalidation letters, and specifications duly approved by the competent authorities, within 15 (fifteen) days from the date of this Order, in strict compliance with Sections 11(3)(a) and 19(5) of the RE(R&D) Act, 2016.
- v. This Authority records its strong disapproval of the Respondent's repeated non-compliance, disregard for statutory notices, and failure to appear despite due service. Such conduct evidences a willful and contumacious defiance of the provisions of the Act and of this Authority's jurisdiction. Accordingly, a final caution is issued to the Respondents to comply with all directions herein within the stipulated timeframes. In the event of continued default, this Authority shall proceed to declare the Respondents as defaulters for willful violation of the Real Estate (Regulation and Development) Act, 2016;

63. Failing to comply with the above said directions by the Respondents No.1 and 2 shall attract penalty in accordance with Section 63 of the RE (R&D) Act, 2016.

64. The Complaint is disposed of in lieu of the above directions. No order as to costs.

Sd/-

**Sri. K. Srinivasa Rao,
Hon'ble Member**

TG RERA

Sd/-

**Sri. Laxmi Naryana Jannu,
Hon'ble Member**

TG RERA

Sd/-

**Dr. N. Satyanarayana, IAS (Retd.),
Hon'ble Chairperson**

TG RERA