



HYDERABAD METROPOLITAN DEVELOPMENT AUTHORITY
Swarnajayanthi Commercial Complex,
Ameerpet, Hyderabad - 500082

Lr.No. 660/MP2/H/Plg/2008

Date:22-12-2020

NOTICE

Sub: HMDA – Medchal Plg. Dept. – Complaint on approved Draft gated Community in Sy.No.1139 of Shamirpet (V) & (M), Medchal-Malkajgiri Dist to an extent of 21,112 Sq.Mts by M/s Kadakia and Modi Housing – hearing fixed on dt.16.01.2020 at 11.00 AM– Intimation-Reg.

- Ref:- 1) Complaint petitions dt. 11.03.2020 & 03.06.2020 received from the owners of Bloom dale Villas.
2) Orders of the Hon'ble High Court dt. 14.10.2020 in WP No. 14594 of 2020 filed by M.D.N Prasad and others.
3. This office letter of even no dt.03.01.2020.
4. Note orders of the Secretary, HMDA, dt.23.11.2020.
5. This office letter of even no dt.25.11.2020.
6. Note orders of the Secretary, HMDA, dt.28.11.2020.
7. This office letter of even no dt.05.12.2020.
8. Note orders of Secretary, HMDA, dt.19.12.2020.

With reference to the subject and vide reference 1st cited, the owners of the Bloom Dale Villas requested to withhold the mortgaged plots / Villas till completion of all pending works / amenities in approved Draft gated Community in Sy.No.1139 of Shamirpet (V) & (M), Medchal-Malkajgiri Dist to an extent of 21,112 Sq.Mts by M/s Kadakia and Modi Housing.

Further it is to inform that the above complainant filed WP No. 14594 of 2020 in the Hon'ble High Court praying the Hon'ble Court to direct the respondents to consider the representation / complaint dt. 29.02.2020, 11.03.2020 and 03.06.2020 and the Hon'ble High Court passed the following orders:

Order in brief:

The Secretary, HMDA is directed to consider the representations dt.29.02.2020, 11.03.02020 & 03.06.2020 submitted by the petitioners strictly in accordance with law and pass necessary order on merits, as expeditiously as possible, preferably within a period of six weeks from the date of receipt of a copy of this order. It is needless to mention that before passing any orders/releasing the mortgaged properties, the petitioners as well as respondent Nos.3 and 4 shall be put on notice and afforded an opportunity of hearing. A copy of the order passed by the Secretary of HMDA shall be communicated to the parties.

In this regard, it is to inform that vide reference 7th cited all the parties were directed to attend the hearing on dt.19.12.2021 and the petitioners were present and respondents were absent. Hence vide reference 8th cited, all the parties are directed to attend the hearing on dt.16.01.2020 at 11.00 A.M at Swarnajayanthi Complex, Ameerpet, and submit your explanation in person by attending this office without fail along with relevant documents in support of your claim, otherwise decision will be taken as per materials / documents available with this office.

Encl: Reply letter of Sri MDN Prasad and 2 others, dt.19.12.2020.

Yours faithfully

Sd/-

For Metropolitan Commissioner,
Planning Officer (YR), HMDA

To:

- 1) Sri M.D.N. Prasad, R/o Villa No. 66, Modi Bloomdale Gated Community, Shamirpet Village & Mandal, Medchal-Malkajgiri District – 500101.
- 2) Sri B. Raja Rao, R/o. Villa No. 43, 44, 58, Modi Bloomdale Gated Community, Shamirpet Village & Mandal, Medchal-Malkajgiri District – 500101.
- 3) Sri Ravi Raja Sekhar, R/o. Villa No. 40, Modi Bloomdale Gated Community, Shamirpet Village & Mandal, Medchal-Malkajgiri District – 500101.
- 4) M/s. Kadakia & Modi Housing, #5-4-187/3, & 4, 2nd Floor, Spham Mansion, M.G. Road, Secunderabad – 500003.

Copy to:

1. PA to the Secretary for information.
2. Concerned APO for necessary action.
3. Concerned Tahsildar to attend hearing.

//t.c.f.b.o//

Div. Accounts Officer, HMDA

From

19th December 2020

MDN Prasad and two other petitioners,
Villa 66, Bloomdale,
Shamirpet – 500101

To

The Secretary,
HMDA
Hyderabad

REPLY TO THE LETTER BY KADAKIA AND MODI HOUSING
ON THE NOTICE OF HMDA

Dear Secretary,

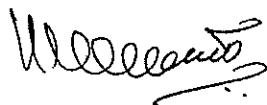
We are in receipt of the copy of the letter by Kadakia and Modi Housing which was shared to us by your office on 28 November 2020.

2. Certain facts are brought to your notice before the point wise reply to the letter is offered.

(a) The sanction for the construction of this gated community was obtained from HMDA vide LP No.09/MP2/ Plg / H / 2008 dated 12-05-2008 by Kadakia & Modi Housing (hereafter referred to as "developer"). The project was to be completed within three years of the first sanction. However, the project was delayed due to reasons best known to the developer.

(b) An owners' Association, called Bloomdale Owners Association (BDOA) was floated by the developer with his own staff in 2010 [Registered under Sec 3 (1) of AP (now Telangana) Societies Act 2001] at a time when the project was one year old with just 5 villas out of 72 villas sold. The developer and his agents continued to hold all the portfolios of the Association and spent money as they pleased till date, without any accountability to the owners, who are in majority members in this Association for the last few years.

(c) In spite of innumerable letters and emails starting from March 2018, to the developer & Secretary / Treasurer of the BDOA to conduct a General Body Meeting, explain about fund position, as required in the bye-laws of the association, there was never a proper response. The developer continued to use his position as a developer and Secretary BDOA as he pleased. A sample of the same is attached as Exhibit 1, 2, 3 and 4 where for even matters related to the Association, the developer has used his appointment as MD of Modi Properties, who clearly does not have any locus standi to represent and act on



behalf of BDOA Secretary and or as Treasurer BDOA on any issue after handing over. This clearly implies that the developer is all in all as far as the development and maintenance of the project is concerned right from its sanction till date. That he has used his appointment of MD Modi Properties, Secretary BDOA, Treasurer BDOA at various occasions indicated that he doesn't differentiate these appointments. The Developer used the funds given by the owners for purchase of the villas and its maintenance as he pleased without any accountability. Therefore, if there are deficiencies in the project, it is definitely the willful act of the developer or his associates.

3. Point-wise rebuttal of the replies by Kadakia and Modi Housing is as follows:-
- (a) Point 1: Facts, no comments need to be offered.
 - (b) Point 2: Matter related to HMDA. No comments.
 - (c) Point 3: Matter related to HMDA. No comments.
 - (d) Point 4: It is a fact that the amenities are incomplete. The very fact that the developer has spent money from the maintenance charges paid by the registered owners for purchase of water right from 07 Jul 2012, when only Eight villas were handed out of the 72 is itself an evidence that there was deficiency in locally generated raw water. Instead of attending the problem by either digging additional borewells or deepening the existing one, the developer took an easy option of buying the water. The expenditure which was Rs.57,600 in 2012-13 progressively increased from to Rs.4,20,149 in 2018-19 when the number of villas increase from 8 to 38. This data is taken from the audited accounts posted by the developer in his website, relevant copy of which is placed as Exhibit 5 and 6. In spite of this serious deficiency in the project, the developer never felt it necessary to bring the issue of 'purchased water' to the notice of either the existing owners or the prospective buyers. The developer continued to buy water and bill it to the owners by deceitfully showing excess of expenditure over income right from 2013 onwards by giving a loan from Kadakia and Modi Housing to BDOA, both organizations headed by him. The accounts of the Association which are to be passed by the General Body of the Owners' Association as per rule (Para 19 of the Bye Laws) were never shown to members, probably fearing that the developer will be questioned by the members. Further, deceitfully the developer posted these accounting details in his website with a secret password which was never revealed to any of the owners.
 - (e) Point 5: The complainants even after repeated representations in writing from 2018 (Copies of emails / letters sent to the developer cum Secretary of BDOA, attached as Exhibit 7 and 8A, 8B) onwards did not provide adequate illumination in the project in form of standard street lights, even till date, but created area lighting in four corners of the colony. These nonstandard area lights are actually a hazard as they blind motorists entering into the colony. Further, it is surprising that though a sanction for installation of 315 KVA

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transformer along with the associated safety features like security fencing, danger signs, proper earthing pits etc existed and paid for, the developer failed to get these very important safety features.

(f) **Point 6:** The complaints sent by the petitioners and other owners to the builder and copies sent to HMDA about serious deficiencies in infrastructure are **realities on ground and reiterated**. Contrary to the statement of the developer that all the amenities are in place way back in 2013, the point-wise rebuttal is as follows: -

- (i) **Point 6 (a): Clubhouse:** An airconditioned banquet hall and an airconditioned gymnasium were to be provided as per the agreement. However, in spite of repeated reminders, the air-conditioners were not fitted till September 2020 even though 68 villas were sold out the 72. That the owners were denied this facility all these ten years is clearly is a deficiency of service.
- (ii) **Point 6 (b): Power Supply:** Issue was never raised in any complaints. However, while undertaking connections to the new villas by the developer, cables were jumbled up without any discipline. Such indiscipline in cable laying is a nightmare for maintenance at a later date. Photographs of the state of cables at some of some pillar boxes as on 12-12-20 is placed as **Exhibit 9**.
- (iii) **Point 6 (c): Swimming Pool:** Swimming pool and changing rooms had deficiencies like lack of water supply in the bathrooms of changing rooms and broken doors. These too were brought to the notice of the developer and his staff and remained unattended till date.
- (iv) **Point 6 (d): Open Areas:** Landscaped gardens were never provided. In fact, the open area in front of swimming pool which was to have lawns was covered with shahbad stones in 2015 by the developer, giving a shabby appearance to the whole area.
- (v) **Point 6 (e): Backup Generator:** Backup generator was provided. However, even though the developer himself was looking after the maintenance, he never bothered to get any periodical / preventive maintenance done. Frequent breakdowns were not attended in the required urgency that was expected of an emergency service.
- (vi) **Point 6 (f): Roads:** While CC roads were provided, frequent movement of heavy trucks carrying construction material for construction of villas damaged these roads at many places. Photographs shot on 12th December 2020 are placed as **Exhibit 10**. Broken roads due the act of negligence of developer in his construction activity cannot be attributed to BDOA.
- (vii) **Point 6 (g): Commercial Complex:** While commercial complex was constructed by 2012, it was never put to use for the purpose meant for it. The developer after having built the complex using the Rs.2.5

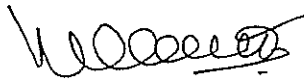
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lakhs paid by each owner, used it as a store house for his equipment, office space and even for housing the workers connected with the construction of villas. The commercial area of more than 1800 Sq ft of area which would have easily fetched average monthly rent of Rs.30,000 per month was used unauthorizedly, for more than 8 years has put the Association in loss of Rs.28.8 lakhs.

(viii) **Point 6 (h): Main gate:** The developer was aware of the road widening of Shamirpet – Ponnal MDR while the project was in progress as was informed by HMDA to him in writing (Refer 660/MP2/Plg/HMDA/2008 dated 26-04-2017). However, he continued to ignore this fact and built the gate much lower than the road leading to water logging, steep and dangerous climb from the entrance to the main road. Repeated requests to raise the gate or install safety mirrors were ignored deliberately.

(ix) **Point 6 (i): CC Cameras:** The project was to be provided with 24 hrs security with CC Cameras as was stated in the brochure and other documents. Right from inception, only two VGA cameras were placed that too for security of material. Both these VGA cameras did not have the mandatory recording or repeater facility making their utility extremely limited.

(x) **Point 6 (j): Raw Water Supply:** As per the agreement entered with HMDA and with the buyers of the villas, the developer is to provide 24 x 7 water supply from an assured water supply source (refer Para 7 of HMDA letter 660/MP2/Plg/H/2007 dated 12-05-2008). The same was reiterated in agreement of construction with individual owners (Exhibit 11). From the books of accounts available and published in the website of Modi Properties, it is seen that raw water was being purchased from July 2012 when the occupancy was as low as 8 owners / tenants against 72 plots and continued thereafter till date, 365 days of the year. It clearly indicates that the developer did not make adequate attempts to get locally sourced raw water from as early as July 2012. Further, with mala fide intention, the developer deceitfully bought water without any intimation to the existing owners or prospective buyers. The developer, though holding the position of Secretary of BDOA, did not find it necessary to get the Balance Sheet approved by the General Body which is mandatory as per the law (relevant Bye law attached as Exhibit 12), keeping the owners in dark about the status of the funds and the extra expenditure over income from 2012 onwards. Subsequently, in 2018, when the status of raw water was first questioned in writing to the developer through an email, there was wishy wash reply by the Customer Relationship Manager knowing pretty well about the deficiency (Exhibit 13). Further letters to the developer and Secretary BDOA were conveniently ignored.



(xi) Point 6(k): OHT: Other than flimsy MS steel stairs to the overhead tank, there are no other issues.

(g) Point 7: Municipal Water, Borewells and RO Plant: The developer states that 4 borewells have been dug, which is a cosmetic and non-committal response, as mere digging of borewells is not a proof of availability of locally sourced water. However, from 2012 onwards they were neither connected nor put into use together effectively. Presently, none of these are connected to the overhead tank. Repeated requests to the developer through Co-opted members in writing from 2018 onwards to reveal their location, depth and yield were ignored intentionally. The RO Plant though purchased and installed was never put into use for the benefit of the residents. Presently it is laying in a state of disuse and ready for disposal as scrap.

(h) Point 8: Drainage, septic tank, rainwater harvesting pits and Street lights: Provision of functional septic tank was the bone of contention right from inception. Raw sewage was being pumped through external pipes into vacant lands behind villa 21. When the same was objected by the owners of the private land, the pumping to another vacant land through a flexible pipe behind villa 19 by cutting open the perimeter wall was done. The same was shown to the representative of HMDA Mrs Swaroopa during her site visit on 17-11-2020. Also, pictures of the raw sewage being pumped through flexible pipe was sent to your office on 03-11-20. The developer having placed six area lighting masts and stating them to be street lights, is a joke. Further, these area lighting poles focus light into the eyes of motorists and as such are a hazard, as they can temporarily blind a driver.

(i) Point 9: Electrical Infrastructure: Every villa purchaser has paid Rs.75,000 or even more for transformers and generators. Outdoor Transformer has been placed devoid of safety features as brought out earlier. Photographs taken on 17th November 2020 on the state of outdoor transformer is placed as Exhibit 14 to prove this.

(k) Point 10: It is a fact that Mr Raja Rao had purchased two more villas in 2017. Nowhere has he mentioned that he was satisfied with the existing amenities. Purchase of additional villas was for his convenience and should not be construed as a certificate for good facilities.

(l) Point 11: Mr M B N Prasad: Air Commodore MDN Prasad purchased a villa in 2014 hoping to move into his own house prior to his retirement from Indian Air Force. Unfortunately, due to the nature of Armed Forces service, he was not posted to Hyderabad till his superannuation in 2016. He moved into his house in 2017.

(m) Point 12: Mr Ravi Rajasekhar: He bought the villa as his post retirement abode. After his retirement he moved into the villa and has been complaining about the lack of raw water, irregular distribution and other facilities through the meetings which the Co-opted Member has been holding on behalf of the Secretary. Further, on more than one occasion the irregular and

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inadequate raw water supply were brought to the notice of the developer through his coopted members through the minutes of these meetings.

(n) **Point 13: Testimonial of Mr R Rajasekhar:** The testimonial of Mr Rajasekhar is about his individual villa and not about the amenities. The developer is confused on this issue. Contrary to the statement of the developer there are bogus claims, that there are deficiencies of services is irrefutable. The fact that many owners have sent signed copies of letters to the developer right from 2018 onwards and HMDA is an indication of the unsatisfactory services of the developer.

(o) **Point 14:** It is strange that the developer is differentiating himself as a Developer and as Secretary BDOA whenever he chooses to, while continuing to sign as both developer and secretary BDOA on communications. This is an indication that he wants the best of both worlds and intends to escape all liability for his failure as a developer. This dual role for passing on the liability is untenable as brought out earlier. If there was a shortfall of funds as brought out, the developer cum Secretary BDOA should have brought the issue to the notice of the owners and sought for enhancement of the Monthly Maintenance Charges. Projecting a loan of Rs.60 lakhs now, is nothing but a deliberate mischaracterization to cover illegal expenses to meet the project requirements and indicate efforts for embezzlement of funds. Scrutiny of the audited Balance Sheets indicated that the Developer cum Secretary of BDOA, though collected Corpus money of Rs. 50,000 from each villa owner at the time of handing over, has not deposited this money in the Nationalised Banks as mandated in the Bye laws (Para 21 of the Bye Laws) and as per Section 20 of Indian Trusts Act 2016.

(p) **Point 15: Elections:** The developer with his own staff, not connected with the project were holding the Association for the last 10 years and were primarily responsible for the mismanagement of the project. The repeated request of the members BDOA to organize a General Body Meetings vide their letter on 10 Aug 2018 and with signatures of 30 % of the members as per Para 19 of the Bye Laws on 23 March 2020, was deliberately ignored. When the developer decided to conduct elections for BDOA in September 2020, it was pointed out by many owners that all the amenities were not in place and that the developer should conduct elections only after their completion (**Exhibit 15**), it was just ignored. In spite of requests of majority of the owners, went ahead with the process of elections in an illegal manner without even announcing the list the voters. Further, when the required nominations were not received, went ahead and declared the five nominees as "elected unopposed". It is amusing to know that while the developer states "that the day-to-day operations of maintenance along with charge of all finances has been handed over to the elected members of the Association", the same has been denied by the so called (s)elected members. It is also relevant to point out that since BDOA is registered under Section 3 (1) of The Telangana Societies Act 2001, the Association itself is legally not tenable in terms of Hon'ble High Court order dated 05th March 2013 and Circular Memo No.SOC / 7124 / 2018 dated 28-01-

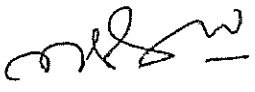
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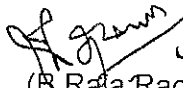
2019 of Office of the Commissioner and Inspector General, Registration and Stamps, Government of Telangana (Exhibit 16). Therefore, the whole process of elections is null and void.

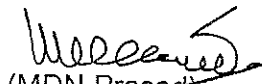
(q) **Point 16: Mortgaged Property:** In view of the glaring irregularities and efforts to embezzle funds, Hon'ble High Court of Telangana has ordered to re-transfer of the mortgaged property only with the consultation of the petitioners. Further, it is not understood how structures are erected on mortgaged property without the written consent of HMDA / Gram Panchayat, especially in view of the serious deficiencies of locally sourced raw water and improper and unhygienic disposal of raw sewage.

(r) **Point 17: Occupancy Certificate:** As per GO 168 Clause 26 (a) occupancy certificate by authorities is to be issued only the developer meeting basic facilities like **water supply, drainage, roads and street lighting**. In view of the deficiencies brought out above, the re-transfer of the plots may be withheld till the developer rectifies all the points mentioned above as well as the deficiencies brought out in the letters to the developer by the owners.

4. It is submitted most humbly to HMDA that the developer is all out to cheat the genuine home buyers and has not responded to any of their letters positively. Therefore, a criminal complaint was also lodged for Cheating and Criminal Breach of Contract in Shamirpet PS. Consequently, a FIR bearing No. 390/2020 dated 20th September 2020 has been registered and investigation for the same is in progress. Also, a case bearing number 258 of 2020 has been admitted in the District Consumer Court of Ranga Reddy District for deficiencies of services and already had two sittings till date. It is therefore requested that the **re-transfer of mortgaged plots be withheld till the builder completes the pending works satisfactorily.**


(R Rajasekhar)
Owner Villa 40


(B Raja Rao)
Owner Villa 58


(MDN Prasad)
Owner Villa 66

LIST OF EXHIBITS

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