

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

**SUO - MOTU – CASE NO. 6037/2024**

**Date: 8<sup>th</sup> September, 2025.**

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

***M/s Jubilee Hills Co-Operative House Building Society Ltd***

*(Rep. by its President, Sri B Ravindranath, Road No.17-A, Jubilee Hills, Hyderabad -500171)*

**...PROMOTER/ RESPONDENT-1**

***M/s Verdant Builders and Developers Pvt Ltd***

*(Rep.by its Authorized Signatory Sri Abhishek Rathi, Linoy Lumins, plot No.25,233,  
Road No.5, Kakatiya Hills, Guttala Begumpet, Kavuri Hills, Madhapur, Hyderabad 500081)*

**...PROMOTER/ RESPONDENT-2**

***Jubilee Hills Phase IV,***

*(situated at Manchirevula Village, Gandipet, Ranga Reddy District)*

**... PROJECT NAME**

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The matter was placed for hearing before this Authority on 31.07.2025, wherein Promoter–Respondent No.1 was represented by their learned counsel, Sri C.V.R. Rudra Prasad, assisted by his Associate Advocates, and Respondent No.2 was represented by their learned counsel, Sri Rohit Pagula, assisted by his Associate Advocates. Upon hearing the submissions of both sides and upon consideration of the material available on record, this Authority proceeds to pass the following order:

**ORDER**

2. The present Suo-motu proceedings have been initiated by the Telangana Real Estate Regulatory Authority (hereinafter referred to as “the Authority”), in exercise of powers conferred under Section 35(1) of the Real Estate (Regulation and Development) Act, 2016 (hereinafter “the RE(R&D) Act, 2016”), on the basis of material placed before the Authority, including a representation dated 28.01.2025 submitted by Dr. K. Jyothi Prasad Kosaraju, Advocate.

3. The representation disclosed allegations that the Respondent had engaged in advertising, marketing, selling, and inviting prospective buyers to purchase flats in its project “Jubilee Hills

Phase IV,” situated at Manchirevula Village, Gandipet Mandal, Ranga Reddy District, through a brochure, without obtaining mandatory registration with the Telangana Real Estate Regulatory Authority.

4. The representation dated 28.01.2025 has been filed by Dr K. Jyothi Prasad Kosaraju, who is a member of Jubilee Hills Co-operative House Building Society Ltd., before this Authority against Promoters/Respondents Nos. 1 and 2, alleging certain irregularities committed by the managing committee of Jubilee Hills Co-operative House Building Society Ltd. The key allegations are as follows:

- i. The Society has started issuing applications with a pre-launch brochure for a project titled “Jubilee Hills Phase IV”, located at Manchirevula Village, and collecting Rs.5,00,000/- from each buyer towards flat purchase as an advance payment.
- ii. The Society has made it mandatory to purchase a flat in the said project, “Jubilee Hills Phase IV,” to get admission into Jubilee Hills Co-Operative Housing Society Ltd., thereby contravening the bye laws of the society and the provisions of the Telangana Co-operative Societies Act, 1964, which are being developed by third-party developers. This suggests that the Society is promoting these sales for external profit.
- iii. The present management committee aiming for personal financial gain and is trying to admit 800 new members on the condition that each must buy a flat worth approximately Rs. 2,00,00,000/- (Rupees Two crores only) in the said project, that is developed by third party. The Society is neither the owner nor developer of this proposed project, which lacks mandatory approvals from RERA and HMDA.
- iv. That the proposed site is understood to be developed by “M/S Verdant Builders”, which does not have RERA and HMDA permissions and there is no escrow account for the said project. The funds received from buyers were deposited in various bank accounts and it was also collected in cash.
- v. That part of the said collected funds was diverted to the personal bank accounts of the managing committee members, and ‘huge’ amounts were collected from prospective buyers.
- vi. That the money laundering stems from the promotion of a misleading ‘pre-launch offer’ for a world-class gated residential community under the name “*Jubilee Hills Phase IV*”, despite the project lacking legal and regulatory clearance.

- vii. That the Respondent No.1 has begun collecting Rs. 5,00,000 (Rupees Five Lakhs only) from each buyer as a booking amount for flats, amounting to approximately Rs. 90,00,00,000/- (Rupees Ninety Crores only) from 1800 members. The office bearers were promised a commission of Rs.1,000 per sq. ft on the sale of approximately 50,00,000 sq. fts, amounting to Rs500,00,00,000 (Rupees Five Hundred Crores only) in cash. This massive cash transaction raises serious concerns of black money generation and money laundering.
- viii. That at the time of collecting the Rs. 5,00,000 (Rupees five lakhs only) non-refundable deposits from applicants, the office bearers have also demanded an additional Rs10,00,000 (Rupees Ten Lakhs only) in cash from each applicant, and approximately Rs. 50 Crores has been collected from around 500 applicants through this method.
- ix. That one of the members of the society approached the Hon'ble High Court of Telangana seeking intervention against the illegal actions of the Managing Committee. The Hon'ble High Court of Telangana, upon reviewing the matter, observed the illegality in the admission process and stayed the proposed project and further admissions, suspecting the entire scheme to be unlawful.

5. Pursuant to the aforementioned representation and accompanying brochure, this Authority, in exercising of powers conferred under Section 35(1) of the RE(R&D) Act, 2016, issued a show cause notice dated 07.02.2025 to Promoters- Respondent 1 and 2, directing them to submit an explanation within seven days from the date of receipt of the notice, as to why this Authority should not impose a penalty under Sections 59 and 60 of the RE(R&D) Act, 2016 for contravening Sections 3(1) and 4(1) of the RE(R&D) Act, 2016.

6. In response to the show cause notice dated 07.02.2025, Promoter-Respondent No. 1 submitted a reply on 25.02.2025, asserting that the allottee herein who made representation had already filed W.P. No. 29810 of 2024 before the Hon'ble High Court of Telangana on the same subject matter with similar allegations. The Hon'ble High Court of Telangana had passed interim orders, and the Writ Petition remains pending. Accordingly, Respondent No. 1 requested the Authority to await till the outcome of the said Writ Petition.

7. The Promoter-Respondent No. 2 also submitted a reply to the notice dated 07.02.2025, stating that they had not received any money or consideration in connection with the mentioned project. The Respondent No.2 also submitted that a similar dispute between the complainant and the Society is pending before the Hon'ble High Court of Telangana in W.P. No. 29810 of 2024,

and the complainant has requested this Authority to defer further action until the W.P. No.29810/2024 is resolved.

8. Further Promoter-Respondent-1 submitted a reply on 05.05.2025 to the show cause notice dated 15.04.2025, raising objections regarding the maintainability of the complaint. The Respondent No. 1 contended that the complainant does not qualify as an "aggrieved person" under Section 31 of the RE(R&D) Act, 2016. He further asserted that any person approaching the Authority must submit their complaint strictly through Form 'M', as mandated by Rule 34(1) read with Section 31 of the RE(R&D) Act, 2016. As such, any representation made in deviation from the prescribed format is non-est in law and cannot be received or processed by the Authority. Since the representation submitted by the complainant fails to meet the statutory requirements outlined above, the Respondent urged that the complaint should not be entertained. Accordingly, he requested the Authority to reject the complaint and refrain from proceeding further in the matter.

9. The Promoter-Respondent No. 1 also submitted that when a statute prescribes a specific procedure, the authority empowered under it must strictly adhere to it, as affirmed by the Constitutional Courts. He argued that this Hon'ble Authority is bound to follow its rules and reject baseless complaints at the threshold. The RE(R&D) Act, 2016, enables summary proceedings by excluding Civil Court jurisdiction, but complainants cannot bypass statutory requirements by submitting informal representations. The RE(R&D) Act, 2016 mandates filing in Form 'M' along with payment of the prescribed fee, which must be verified before assigning a complaint number. In this case, the Promoter contended that the complaint appears informally drafted, possibly with political intent, and fails to meet procedural norms. Hence, it should be rejected at the threshold.

10. The Promoter-Respondent-2 submitted counter to the show cause notice dated 15.04.2025, stating that the complaint is liable to be dismissed as it contains no specific allegations or supporting evidence of any violation against Respondent No. 2. All the allegations are solely against Respondent No. 1, who is accused of promoting a real estate project without RERA registration, flouting by-laws, and collecting funds from the public for a proposed project at Manchirevula Village. Respondent No. 2 also submitted that they have been mentioned only once in the four-page complaint, where the complainant states that the site is 'understood' to be developed by M/s Verdant Builders, allegedly without RERA or HMDA permissions. The use of "understood" indicates the claim is speculative and unsupported by evidence.

11. Respondent No.2 submitted that they have no involvement or relationship with Respondent No. 1, nor does any agreement exist between them to support the complainant's allegation of its involvement in the alleged transaction. The complainant has already filed W.P. No. 29810 of 2024 before the Hon'ble High Court of Telangana, alleging irregularities by Respondent No. 1's Managing Committee. By order dated 24.10.2024, the Court stayed the admission of new members and restrained Respondent No. 1 from entering into any agreement concerning the 'Jubilee Hills Phase -IV' project without following due procedure. It was also submitted that Respondent No. 2 was not made a party to the Writ Petition, which clearly indicates it is not involved in the alleged violations under the Real Estate (Regulation and Development) Act, 2016.

12. Respondent No.2 also submitted that the present complaint is filed with an oblique motive by making false and baseless allegations as against this Respondent after the Hon'ble High Court of Telangana has ordered stay of admission of any new members of the Respondent No.1 Society and also from entering into any agreement in respect of the said Jubilee Hills Phase- IV project at Manchirevula village, Gandipet, which itself makes the present complaint redundant and the Complainant cannot be allowed to assail anything as against this Respondent No.2 without any evidence in support thereof.

13. Respondent No.2 further submitted that the contents of the present complaint do not disclose any transgression or violation of the provisions of the RE(R&D) Act, 2016, by them. All material allegations, including those related to advertising, marketing, collection of funds, and admission of members, are directed solely against Respondent No. 1, whose actions have already been stayed by the Hon'ble High Court of Telangana. No specific allegation supported by any standard of proof has been made against this Respondent No.2. Therefore, without prejudice, this Respondent No.2 seeks to be discharged from the present proceedings.

14. The Respondent No.2 further submitted that the Complainant's grievance pertains solely against the actions of the managing committee of the Respondent No.1 Society, and that the Complainant has already approached various authorities, including the Commissioner for Co-operation and Registrar of Co-operative Societies. The present complaint is merely an attempt to misuse this Hon'ble Authority to pursue a personal vendetta against the said Committee. This Respondent has no involvement whatsoever in the functioning or affairs of the 1st Respondent Society. Accordingly, requested to dismiss the complaint.

## **OBSERVATIONS OF THE AUTHORITY:**

### ***Points to be Determined:***

15. In light of the above facts and submissions, the following issues arise for consideration before this Authority:

- 1. Whether the present Suo-motu proceedings initiated by this Authority are maintainable under the provisions of the Real Estate (Regulation and Development) Act, 2016, notwithstanding the objections raised by the Respondents?*
- 2. Whether Respondent No.1 falls within the definition of “promoter” under Section 2(zk) of the RE(R&D) Act, and if so, whether the said Respondent has violated the provisions of Section 3 of the RE(R&D) Act, 2016 by advertising, marketing, and offering for sale a project without obtaining registration from this Authority?*

### ***Point No.1: Maintainability of Suo Motu Proceedings***

16. The Respondents have raised a preliminary objection contending that these proceedings are not maintainable. Two grounds have been urged:

- a) Firstly, that the representation before this Authority emanated from a complainant who has already approached the Hon’ble High Court of Telangana in W.P. No. 29810 of 2024, wherein an interim order has been passed, and hence this Authority ought to await the outcome of that writ petition.
- b) Secondly, that the representation does not qualify as a “complaint” under Section 31 of the RE(R&D) Act, 2016 since it was not filed in Form ‘M’ with the prescribed fee, and therefore the jurisdiction of this Authority is not validly invoked.

### ***a) As regards the pendency of W.P. No. 29810 of 2024:***

17. On perusal of the interim order of the Hon’ble High Court dated 24.10.2024, it is noted that the grievance before the Hon’ble High Court pertained to alleged violations of the bye-laws of Respondent No.1–Society, specifically in relation to admission of new members and collection of advances from them. The Hon’ble High Court, in its wisdom, granted an interim stay restraining the Society from admitting new members and from entering into agreements without following due procedure.



18. This Authority finds that the subject matter of the writ petition is confined to the internal functioning of the Society vis-à-vis its bye-laws and membership process. In contrast, the present Suo-motu proceedings initiated by this Authority concern an altogether distinct issue, namely, whether the Respondent has engaged in advertisement, marketing, booking, selling or offering for sale and inviting persons to purchase in any manner any plot, apartment, building, as the case may be, of a real estate project without registration under Section 3 of the RE(R&D) Act, 2016.

19. The two proceedings operate in different fields: one within the domain of cooperative law and the other under the specialized statute of RE(R&D) Act, 2016. The pendency of the writ petition, therefore, cannot oust or curtail the statutory mandate of this Authority. Accordingly, the objection of the Respondents on this ground is rejected.

***b) As regards the requirement of a complaint under Section 31 of RE(R&D) Act, 2016:***

20. It is true that Section 31 of the RE(R&D) Act, 2016 confers a statutory right on an “aggrieved person” to file a complaint before the Authority in the prescribed manner, i.e., Form ‘M’ with the requisite fee as per Rule 34 of the Telangana Rules. However, the present proceedings are not initiated under Section 31, but rather under the independent jurisdiction vested in this Authority under Section 35 of the RE(R&D) Act 2016.

21. Section 35 of RE(R&D) Act, 2016 expressly empowers this Authority to call upon any promoter, allottee, or real estate agent to furnish information or explanation, either on a complaint or Suo-motu, and to conduct inquiries relating to the affairs of such promoter or project. This provision, read with Sections 37 and 38 of the RE(R&D) Act, 2016 makes it amply clear that the Authority is not a passive adjudicatory body but a proactive regulator entrusted with wide-ranging powers to secure compliance with the provisions of the RE(R&D) Act, 2016 and protect consumer interest.

22. The Preamble of the RE(R&D) Act, 2016 emphasizes transparency, accountability, and consumer protection in the real estate sector. To give effect to this mandate, it would be antithetical to confine the Authority’s jurisdiction only to the complaints in Form ‘M’. The legislative intent is that, upon receiving credible information of a violation, the Authority may act Suo-motu to prevent harm to the public at large.

23. In the instant case, a representation brought to light the prima facie fact that Respondent No.1 was openly advertising and offering for sale apartments in a project styled as “Jubilee Hills Phase IV” without registration. On verification of records, this Authority found that no

registration had been obtained. Such conduct, if uncurbed, strikes at the very root of the statutory framework.

24. Accordingly, the initiation of these Suo-motu proceedings is squarely within the powers of this Authority under Section 35 of RE(R&D) Act, 2016 on violation of section 3 and 4 of the said Act. The objection that the proceedings are not maintainable for want of a formal complaint in Form 'M' is therefore devoid of merit and stands rejected.

***Point No.2: Whether Respondent No.1 falls within the definition of “Promoter” and has violated Section 3 of the RE(R&D) Act, 2016:***

25. The material placed on record includes brochures and promotional material of the project titled “Jubilee Hills Phase IV – Premium Highrise at Manchirevula”, showing a site layout of 13.713 acres, 1910 units, 40 floors, two clubhouses, and multiple towers. The said brochure prominently bears the name and contact details of Respondent No.1–Society.

***a) Advertisement and promotion of a real estate project***

26. Section 2(b) of the RE(R&D) Act, 2016 defines “advertisement” in broad terms to include any publicity through any medium informing persons about a real estate project or inviting them to purchase or make advances. By issuing brochures describing the project’s size, towers, units, and amenities, Respondent No.1 has clearly engaged in advertisement within the meaning of Section 2(b).

***b) Whether Respondent No.1 is a promoter***

27. Section 2(zk)(iv) of the RE(R&D) Act, 2016 specifically includes within the definition of “promoter” a cooperative housing society which constructs apartments or buildings for its members. Respondent No.1, being a co-operative housing society which has advertised and proposed to develop a large residential project, squarely falls within the statutory definition of “promoter.”

***c) Violation of Section 3***

28. Section 3 of the Real Estate (Regulation and Development) Act, 2016 strikes at the very foundation of the regulatory regime. The legislative scheme is clear: no promoter shall advertise, market, book, sell, or offer for sale any plot, apartment, or building in a real estate project without first registering such project with the Authority. Registration under Section 3 is the cornerstone



of transparency and accountability, intended to ensure that information relating to sanctioned plans, approvals, title, timelines, and financial discipline is placed in the public domain before any member of the public is invited to invest their hard-earned money.

29. The statutory text of Section 3(1) reads

*(1) 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.*

*(2) Notwithstanding anything contained in sub-section (1), no registration of the real estate project shall be required—*

*(a) where the area of land proposed to be developed does not exceed five hundred square meters or the number of apartments proposed to be developed does not exceed eight inclusive of all phases:*

*Provided that, if the appropriate Government considers it necessary, it may, reduce the threshold below five hundred square meters or eight apartments, as the case may be, inclusive of all phases, for exemption from registration under this Act;*

*(b) where the promoter has received completion certificate for a real estate project prior to commencement of this Act;*

*(c) for the purpose of renovation or repair or re-development which does not involve marketing, advertising selling or new allotment of any apartment, plot or building, as the case may be, under the real estate project.*

*Explanation.—For the purpose of this section, where the real estate project is to be developed in phases, every such phase shall be considered a stand alone real estate project, and the promoter shall obtain registration under this Act for each phase separately.*

30. The provision is followed by limited exceptions under sub-section (2), where registration is not required if the area of land is less than 500 square meters, or the number of units proposed is fewer than eight, or in cases of projects already completed with a completion certificate, or mere renovation without fresh marketing or sale.

31. In the present case, the material on record, particularly the brochure of the project styled “Jubilee Hills Phase IV – Premium Highrise at Manchirevula,” demonstrates that the Respondent

has conceived and advertised a massive residential undertaking comprising 13.713 acres, approximately 1910 dwelling units, 40 floors, multiple towers, and amenities such as two clubhouses. The very scale of the project places it well beyond the statutory thresholds of Section 3(2). Hence, it squarely falls within the category of projects that mandatorily require registration.

32. Despite the seriousness of these facts, Respondent No.1 has neither claimed nor produced any evidence of registration of the said project with this Authority. On the contrary, the brochures and promotional material unequivocally indicate that invites have been made to prospective buyers. This constitutes “advertisement” within the meaning of Section 2(b) of the RE(R&D) Act, 2016 which includes any publicity in any medium informing persons about a real estate project or inviting them to purchase or invest.

33. It is also significant to note that Respondent No.1 has not specifically denied the issuance of the brochures or advertisements placed on record. Instead, the Respondent has confined its defence to procedural objections regarding the maintainability of these proceedings. The absence of any substantive explanation or justification regarding the promotional material lends corroboration to the evidence placed before this Authority, thereby strengthening the conclusion that such advertisements were indeed issued.

34. The Authority notes with concern that the conduct of Respondent No.1 amounts to more than a mere technical infraction; it is a direct and deliberate breach of the mandatory requirement under Section 3. The RE(R&D) Act, 2016 does not leave any room for discretion in this regard. The use of the expression “*No promoter shall...*” in Section 3(1) is couched in prohibitory and mandatory language, thereby leaving no scope for promoters to undertake pre-launch or pre-registration marketing.

35. The Preamble of the RE(R&D) Act, 2016 emphasizes the objectives of establishing a transparent and accountable real estate sector, protecting the interests of consumers, and ensuring strict compliance with statutory obligations. Allowing a promoter to advertise and invite bookings without registration would frustrate these very objectives, expose homebuyers to grave risks, and undermine the credibility of the regulatory framework.

36. With regard to Respondent No.2, this Authority finds no material on record to indicate that he has engaged in advertisement, marketing, or offering of the project in his individual capacity. The promotional material and brochures bear only the name of Respondent No.1. Accordingly, Respondent No.2 cannot at this stage be held liable for violation of Section 3. It is further underscored that the regulatory powers of this Authority are to be construed broadly so

as to safeguard consumers from unscrupulous practices of promoters. It is, therefore, wholly immaterial that Respondent No.1 seeks to dispute the maintainability of these proceedings on the grounds that issues of society membership are pending before the Hon'ble High Court or that a complaint ought to have been filed in Form 'M'. Such objections cannot serve as a shield against substantive violations of mandatory provisions of the RE(R&D) Act, 2016. Once it is established that the project has been advertised without registration, the infraction under Section 3 stands duly proved.

37. With regard to Respondent No.2, this Authority finds no material on record to indicate that he has engaged in advertisement, marketing, or offering of the project in his individual capacity. The promotional material and brochures bear only the name of Respondent No.1. Accordingly, Respondent No.2 cannot at this stage be held liable for violation of Section 3 of RE(R&D) Act, 2016.

***DIRECTIONS OF THE AUTHORITY:***

38. In light of the foregoing observations and findings, and in exercise of the powers conferred under Sections 35, 37 and 38 of the RE(R&D) Act, 2016, this Authority hereby issues the following directions:

- a) For violation of Sections 3 and 4 i.e., for non-registration of the project, the Promoter/Respondent No.1 i.e., "M/s Jubilee Hills Co-Operative House Building Society Ltd." represented by its President Sri B. Ravindranath is liable for penalty under Sections 59 and 60 respectively and accordingly, a penalty of Rs.18,51,255/- ( Rupees Eighteen Lakhs And Fifty one Thousands and Two hundred and fifty five only) is imposed against the Promoter/ Respondent No.1 with a direction to pay the said amount within 30 days in favour of TGRERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036;
- b) The Promoter/Respondent No.1 is forthwith restrained from advertising, marketing, booking, selling, offering for sale, or inviting persons to purchase, in any manner whatsoever, any apartment, plot, or building in the real estate project "Jubilee Hills – Phase IV" until such time as the project is duly registered with this Authority and further compliance is ensured.

- c) The Promoter/Respondent No.1 is hereby informed that failure to comply with the directions issued herein shall attract further penal consequences under Section 63 of the RE(R&D) Act, 2016.

**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**

