TELANGANA REAL ESTATE APPELLATE TRIBUNAL: HYDERABAD

Krishna Hostel, First Floor, Dr. MCR HRD Institute Campus, Road No.25,
MP & MLAs Colony, Jubilee Hills, Hyderabad-500 033.

CORAM: Hon'ble Sri Justice A. Santhosh Reddy, Chairperson.
Hon'ble Sri P. Pradeep Kumar Reddy, Judicial Member.
Hon'ble Sri Vemula Sreekar, Administrative Member.

T.A.No. 03 of 2026

Between:

Vodela Annapurna, W/o Vodela Rajeshwar,
52 years, home maker, R/3-4-11. Thilak road,
Sadashivpet, Medak – 502291.

...Appellant/Complainant

AND

1.M/s SSL Infra Developers,
H.No.8-3-1007/A, Flat Nos.201 & 301,
ZNR United Splendour, Opp. Indian
Bank, Srinagar colony, Hyderabad.

2.Sivapuram Surender Kumar,
S/o Seetha Ramaiah, 45 years,
Business, H.No.8-3-1007/A,
Flat Nos.201 & 301, ZNR United
Splendour, Opp. Indian Bank,
Srinagar colony, Hyderabad.

...Respondents/developers

Counsel for Appellant : Mr. B.Shankar

Counsel for Respondents : Mr.T.S.S.Krishna

Date of Decision : 09.09.2026

ORDER:: *(Per Hon'ble Sri Justice A. Santhosh Reddy)*

This appeal is filed at the instance of Complainant assailing the Order, dated 19.11.2025, passed by the Telangana Real Estate Regulatory Authority, Hyderabad, (hereinafter referred to as 'the Regulatory Authority'), in Complaint No. 43 of 2025, whereby the learned Regulatory, while rejecting the reliefs claimed by the complainant, directed the respondents to initiate steps for obtaining registration of the project under Section 3 of the Real Estate (Regulation and Development) Act, 2016 (for brevity 'the Act') and until such registration is duly granted by the Regulatory Authority, the respondents are further directed not advertise, market, book, sell, offer for sale, or invite persons to purchase any plot or unit in the project or any part thereof, in strict compliance with the mandate of Section 3 of the Act.

2. Brief facts of the case, as per the complaint filed by the complainant, are that the complainant, being influenced by the advertisements and representations, joined the scheme of respondent Nos. 1 and 2 i.e., "100 months Organic Lease Income for each and every unit" along with a "Buy Back Double Amount after 8 years" and entered into an agreement of sale

on 31.05.2021, by paying an amount of ₹16,00,000/- towards advance sale consideration for the purchase of Ac.0.04 Guntas of land in Survey No. 224/A/2/1/2, against a total sale consideration of ₹16,94,000/-. As per the commitments of respondents, the registration charges for the sale transaction were to be borne by respondent No.1. It was further stated that, on 16.06.2021, respondent No.1 executed a Sale Deed in her favour by showing a meagre amount of ₹10,000/- as total sale consideration towards the agricultural land admeasuring 0.0400 acres (4 guntas) in Thummalapalle Village, Marpalle Mandal, Vikarabad District. In continuation of the said sale deed, the respondents executed a Lease Deed and Memorandum of Understanding (MOU), on 21.06.2021, with respect to plantation of sandalwood trees in the scheduled property. Furthermore, as per the said Lease Deed, the respondents agreed to pay a lease amount of ₹1,92,000/- for a period of 100 months from 01.06.2021 to 01.10.2029, on or before the 10th of June each year. Though the respondents initially paid lease amounts from July 2021 to July 2023, they failed to pay the same from August 2023 onwards in spite of repeated reminders through WhatsApp and oral demands. It was further stated that there was no development in the scheduled property, instead, only a few guava and lemon trees were planted, making it impossible to generate an annual lease income of ₹1,92,000/- and that the respondents cheated the State Government by not paying actual registration charges and stamp duty on the sale consideration of ₹16,94,000/-, instead, they paid a nominal amount by showing the sale consideration as ₹10,000/-. Therefore, the respondents are liable for prosecution by the Vigilance Commissioner, the State of Telangana, the Registration Department, and also by the Police. It was further stated that the complainant has issued a legal notice to the respondents, on 30.09.2024, and even after service, the respondents failed to reply, but transferred one month's rent of ₹16,000/- to the account of complainant. It was further stated that the respondents have contravened provisions of Sections 3, 11, 12 of the Act. Therefore, the complainant prayed for the following reliefs:

a. To direct respondent Nos. 1 and 2 to return the amount of Rs.16,94,000/- to the complainant along with interest of 18% per annum from the date of execution of the Agreement of Sale till the payment of full amount.

b. To direct respondent Nos. 1 and 2 to deposit past and future monthly rents @ Rs.16,000/- per month from August 2023 onwards pending the proceedings.

3. Respondent Nos.1 and 2 filed a Counter, *inter alia*, contending that the present complaint filed under Section 31 of the Act is not maintainable

as the subject lands are agricultural lands which does not fall within the ambit of the Act and as such the Authority has no jurisdiction to entertain the complaint. It was contended that the complainant purchased the agricultural land under Sale Deed No.1516/2021, dated 16.06.2021, and the mutation was duly carried out with an Electronic Pattadar Passbook issued in her name and that the sale of agricultural land does not attract the provisions of the Act as Section 2(zn) defining "real estate project" excludes agricultural land and, therefore, the complaint is liable to be dismissed at the threshold. It was further contended that the Lease Agreement, dated 21.06.2021, also clearly records the agricultural nature of the land, intended for plantation purposes and substantial lease rent of ₹3,04,000/- has already been paid to the complainant for 26 months, covering nearly one-fourth of her sale consideration. Moreover, the grievance of non-payment of further lease rent lies within the jurisdiction of the Civil Court or Rent Controller, but not before the Regulatory Authority. It was further contended that under Section 3 of the Act, only projects involving plots, flats, apartments, or layouts in planning areas require registration and that the sale of agricultural land without layout approval is incapable of registration and hence cannot be brought under RERA. It was further contended that earlier Complaint No.9 of 2025 filed by the complainant on the same cause of action is pending before the Regulatory Authority, wherein compensation of ₹10,22,000/- was claimed and as such filing of the present complaint without disclosure of the earlier proceedings violates Order II Rule 2 C.P.C and it amounts to an abuse of process of law. It was further contended that there was no violation of Sections 3, 11, or 12 of the Act as alleged and that the said provisions are inapplicable to agricultural land transactions. It was further contended that the Hon'ble High Court of Telangana in *Mohammed Zain Khan vs. Emnoy Properties India Ltd.*, (Second Appeal No.209 of 2022), has categorically held that sale of agricultural land does not fall under RERA and authorities under the Act lack jurisdiction.

4. After hearing the learned Counsel for the complainant as well as the learned Counsel for the respondents and perusing the entire material available on record, the learned Regulatory Authority, vide impugned order, dated 19.11.2025, rejected the reliefs claimed by the complainant, as stated supra.

5. Being aggrieved by the aforesaid order of the learned Regulatory Authority, dated 19.11.2025, the appellant/complainant filed the present appeal.

6. We have heard the learned Counsel appearing for the appellant/complainant as well as the learned Counsel appearing on behalf of respondents/developers and have gone through the entire material placed on record along with written submissions submitted by them.

7. The point that arise for consideration in this appeal is as under:

Whether the impugned order, dated 19.11.2025, passed by the learned Regulatory Authority is sustainable in law?

POINT ::

8. The facts remain undisputed are that the respondents/developers made extensive promotional activities relating to a project named "Peacock Avenue" and the appellant/complainant entered into an agreement of sale with the 1st respondent, on 31.05.2021, for purchase of a land admeasuring Ac.0.04 guntas in the said project, bearing Plot No.3021 situated in Sy.No.224/A/2/1/2, Thummanapalli village, Marpalle Mandal, Vikarabad District, for a total consideration of Rs.16,94,000/- at the rate of Rs.3,500/- per square yard, and in pursuance of the same, the appellant has paid Rs.16,00,000/- towards part payment and that the 1st respondent acknowledged the receipt of the same. Thereafter, a sale deed bearing registration No.1516/2021, was executed, on 16.06.2021, in favour

of the appellant/complainant after receipt of entire sale consideration amount. It is also an admitted fact that the parties have entered into a Lease Deed and Memorandum of Understanding, on 21.06.2021, with respect to plantation of sandalwood trees in the scheduled property, wherein the respondents had agreed to pay a lease amount of Rs.1,92,000/- to the appellant/complainant for a period of 100 months from 01.06.2021 to 01.10.2029.

9. The main contention of the learned Counsel for the respondents is that the subject land is an agriculture land and the sale of the said land had taken place through a registered sale deed before the Tahsildar, who issued pattadar passbook to the appellant/complainant, and as such the provisions of Section 2(zn) of the Act are not applicable and that the Regulatory Authority has no jurisdiction to entertain the complaint filed by the appellant/complainant.

10. Learned Counsel for the appellant/complainant submitted that the respondents have carved out the agricultural land into plots and developed it with 30-feet and 40-feet internal roads and as such it squarely falls under the statutory definition of a Real Estate Project.

11. For brevity and better understanding of the matter, it is apposite to extract Section 2 (zn) of the Act, which reads as under:

"Real estate project" means the development of a building or a building consisting of apartments, or converting an existing building or a part thereof into apartments, or the development of land into plots or apartments, as the case may be, for the purpose of selling all or some of the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenance belonging thereto;"

12. Section 2(s) of the Act provides as under:

"Development" with its grammatical variations and cognate expressions, means carrying out the development of immovable property, engineering or other operations in, on, over or under the land or the making of any material change in any immovable property or land and includes re-development;

13. Section 2(t) of the Act further provides as follows:

"Development works" means the external development works and internal development works on immovable property".

14. A plain reading of the aforesaid provisions makes it clear that the development of an immovable property by making material change in the said property and converting it into plots and selling the same to third parties, will clearly bring such a venture within the scope of the Act. That apart, the activities undertaken by the respondents in the project squarely fall within the ambit of a real estate project. Further, the record discloses that the land admeasuring Ac.340.00 along with an additional land to an extent of Ac.20.00 was developed into 88 plots, far exceeding the statutory threshold requiring registration under Section 3 of the Act. The Memorandum of Understanding, dated 21.06.2021, would discloses that the subject property i.e., Plot No.3021 admeasuring Ac.0.04 guntas was marketed as part of a plotted layout with plot sizes ranging from 121 square yards to 605 square yards, which evidences a systematic plotted development, inconsistent with the notion of mere sale of agricultural land.

15. That apart, the agreement of sale, dated 31.05.2021, executed by the respondents in favour of the appellant/complainant would disclose that the respondents had divided the land into plots, which clearly establishes that plotted development had indeed occurred. Further, the layout formation, plotting, development of internal roads, offering amenities,

circulating brochures and marketing the venture as a resort project clearly demonstrates that the respondents have engaged in full-fledged real estate project development and as such the respondents had deliberately described the land as agricultural land in order to evade mandatory registration under Section 3 of the Act. Further, the description of the land as agricultural in the Sale Deed, dated 16.06.2021, cannot override the actual nature of activities undertaken by the respondents. Further, the judgments relied on by the learned Counsel for the respondents do not throw any light on the particular issue involved in the present case. Therefore, the contention of the learned Counsel for the respondents that the land was sold as agricultural plot and it does not fall within the domain of a real estate project is not tenable. Since the respondents have organized the sale of developed plots and participated in the execution of the layout, they shall be deemed to be 'promoters' as defined under Section 2(zk)(ii) of the Act.

16. That apart, Section 3(1) of the Act mandates that no promoter shall advertise, market, book, sell or offer for sale any plot in a real estate project without registration. Section 3(2) of the Act reads as under:

> "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"

17. In the case on hand, with 88 plots, the project exceeds the threshold and as such it requires registration. The record further discloses that the respondents have engaged in misleading advertisements and deceptive assurances intended to induce the purchasers into transacting in an unregistered real estate project. Thus, the learned Regulatory Authority has rightly held that the respondents have violated the provisions of Sections 3, 4, 12 and 13 of the Act. However, the learned Regulatory Authority, while observing that the acts and omissions of respondents constitute clear violations attracting penalties under Section 61 read with Sections 37 and 38 of the Act, failed to impose penalties on the respondents under the said Sections. Therefore, we are inclined to remand the matter to the learned Regulatory Authority with a direction to impose penalties on the respondents for violation of the aforesaid provisions of Sections 3, 4, 12 and 13 of the Act.

18. Insofar as the refund of sale consideration of Rs.16,94,000/-, which was received by the respondents from the appellant/complainant is

concerned, the learned Counsel for the appellant submitted that since there exist continuing obligations under the project by the respondents, the respondents are liable to return the sale consideration amount of Rs.16,94,000/- along with interest. He further submitted that the respondents played fraud on the appellant/complainant by registering the sale deed of the purchased plot for a full and final sale consideration of Rs.10,000/-, whereas the appellant has paid an amount of Rs.16,00,000/- by way of bank transfer and an amount of Rs.94,000/- by way of cash, for which the respondents have not denied in their counter. He further submitted that the respondents have also cheated the State Government by not paying actual registration charges and stamp duty for the actual sale consideration of Rs.16,94,000/-, but have paid a meagre amount towards registration charges and stamp duty showing the sale consideration as Rs.10,000/-.

19. In the instant case, admittedly a registered sale deed has already been executed by the respondents in favour of the appellant/complainant, under which title has validly passed. Once title stands transferred by way of a registered conveyance deed, the appellant cannot seek relief under Section 18 of the Act. It is nowhere stated by the respondents in the agreement of sale that they will bear the expenses of

registration of the sale deed as claimed by the appellant. There is no provision in the Transfer of Property Act that the vendor is responsible for payment of stamp duty. By default, and custom, the buyer (appellant/complainant) bears the stamp duty and registration charges for the sale deed. Since the title transferred is valid and mutation was duly carried out in favour of the appellant and is enjoying the benefits of the property, she is not entitled for refund of sale consideration. Under Article 59 of the Limitation Act, 1963, a suit to cancel or set aside an instrument must be filed within three years of discovering the fraud or cause for cancellation before a competent Civil Court and not before the Regulatory Authority. We are of the considered view that the learned Regulatory Authority has rightly rejected the relief for refund of sale consideration as prayed for by the appellant/complainant.

20. So far as the second relief sought by the appellant/complainant is concerned, the contention of the learned Counsel for the appellant is that the learned Regulatory Authority has erred in not taking into consideration that the respondents have failed to deposit the past and future monthly rents of Rs.16,000/- from the month of August, 2023, as promised by them in the lease deed, dated 21.06.2021.

21. A perusal of the brochures issued by the respondents/developers would reveal that they had introduced different categories to attract customers by assuring organic lease income and published a scheme of '100 months of organic lease income for each and every unit' along with a 'Buy Back Double amount after 8 years'. Consequently, the appellant/complainant entered into an agreement of sale by paying an advance sale consideration of Rs.16,00,000/- for purchase of Ac.0.04 guntas of land against a total sale consideration of Rs.16,94,000/- and thereafter respondent No.1 executed a sale deed on 16.06.2021 in favour of the appellant/complainant. Subsequently, the 1st respondent executed a lease deed and Memorandum of Understanding, on 21.06.2021, in favour of the appellant with respect to plantation of sandalwood trees in the subject land.

22. A perusal of the Lease Deed, dated 21.06.2021, would discloses that the 1st respondent agreed to pay a lease amount of ₹1,92,000/- per annum to the appellant/complainant for a period of 100 months commencing from 01.06.2021 to 01.10.2029, on or before the 10th June of every year. The contention of the appellant/complainant is that the respondents had initially paid lease amount from July 2021 to July 2023, but they failed to pay the same from August 2023 onwards in spite of repeated reminders

through WhatsApp and oral demands. A lease deed is a formal, legally enforceable document under the Indian Contract Act, 1872. Once both parties sign in the Lease Deed, the developer is bound by every promise, amenity and timeline defined within it, as the said transaction is part of farmhouse plots. Under Indian contract and real estate laws, the respondents/developers cannot unilaterally deviate from the commitment they have explicitly made under the Lease Deed, dated 21.06.2021, and they should pay the lease amount as agreed thereunder. Therefore, we are of the considered view that the learned Regulatory Authority has erroneously held that the claims relating to rent, based on lease agreements, do not arise under the provisions of the Act and must be adjudicated before a competent Civil Court and as such the said finding is set aside.

23. On a cumulative consideration of the entire material available on record, we are inclined to remand the matter to the learned Regulatory Authority with regard to imposition of appropriate penalty on the respondents for contravention of the aforesaid provisions Sections 3, 4, 12 and 13 of the Act.

24. In the upshot, the appeal is partly allowed and the impugned order, dated 19.11.2025, passed by the learned Regulatory Authority in

Complaint No.43 of 2025 shall stand modified and the matter is remitted to the learned Regulatory Authority with the following directions:

(i) The learned Regulatory Authority is directed to impose appropriate penalty on the respondents/developers for violation of the aforesaid provisions of Sections 3, 4, 12 and 13 of the Act and adjudicate the same, after affording an opportunity of hearing to both the parties.

(ii) The respondents are hereby directed to register the project under Section 3 of the Act and until such registration is duly granted by the Regulatory Authority, the respondents shall not advertise, market, book, sell, offer for sale, or invite persons to purchase any plot or unit in the project or any part thereof, in strict compliance with the mandate of Section 3 of the Act.

(iii) The respondents/developers are directed to pay the past and future lease amount of Rs.16,000/- per month to the appellant/complainant from September, 2023, as per the Lease Deed dated 21.06.2021. The respondents shall pay the arrears accrued up to the date of this order, within sixty days, with interest at the rate of 10.70% per annum (being

SBI MCLR + 2% as per Rule 15 of the TG RE(R&D) Rules, 2017).

(iv) There shall be no order as to costs.

(v) The Secretary, TG RERA, has to verify such similar projects throughout the State, more particularly farmhouse plot layouts developed with roads, and initiate appropriate action to get registered the same in strict compliance with the mandate of Section 3 of the Act and report compliance to the registry of this Tribunal within a period of eight (8) weeks from the date of receipt of a copy of this order.

Pending miscellaneous applications, if any, shall stand closed.

Registry is directed to transmit a copy of this order to the parties and the learned Regulatory Authority as per section 44 (4) of the Act.

Sd/-

A. SANTHOSH REDDY, J
(CHAIRPERSON)

Sd/-

P. PRADEEP KUMAR REDDY
(JUDICIAL MEMBER)

Sd/-

VEMULA SREEKAR
(ADMINISTRATIVE MEMBER)

Y. GOVINDA REDDY

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Date: 2026.09.10 16:08:01 +05'30'

09.09.2026
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Registrar
Telangana State Real Estate Appellate Tribunal
Government of Telangana
HYDERABAD