BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY
[Under the Real Estate (Regulation and Development) Act, 2016]
Execution Petition No. 61 of 2025
(Arising out of Complaint No. 1786 of 2024)

Date: 17th November 2026

Quorum: **Sri Laxmi Narayana Jannu, Hon'ble Member**
Sri K. Srinivasa Rao, Hon'ble Member

Between

M/s. Coconut Grove Flat Owners Maintenance Mutually Aided Co-operative Society Limited

...Execution Applicant

Versus

1. M/s. RDB Hyderabad Infrastructures Pvt. Ltd.
2. Sri Raja Sekhar Reddy

...Judgment Debtors/Respondents

The present Execution Petition came up for hearing on 20.06.2026 in the presence of Counsel Kirthi Teja Kondaveeti for the Execution Petitioner and P. Revanth Kumar for the Respondent. Upon hearing both sides and perusing the material on record, this Authority passes the following

ORDER

2. The Execution Petitioner, a mutually aided co-operative society of the allottees of the project "RDB Coconut Grove Apartment", has invoked Section 40(2) of the Real Estate (Regulation and Development) Act, 2016 (hereinafter "the Act"), read with Rule 23 of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter "the Rules") as amended by G.O.Ms.No.60 dated 04.03.2025, and the Authority's Circular No. A/900/TG RERA/2025 dated 02.12.2025, seeking enforcement of the final order dated 03.03.2025 passed by this Authority in Complaint No. 1786 of 2023. The grievance is that the Respondents have neither completed the directed works nor registered the project, notwithstanding the expiry of the granted periods.

3. By the order dated 03.03.2025, this Authority rejected the Respondents' objection to maintainability, held the project to be an "ongoing project" within the meaning of the Act, and in paragraph 66 issued three sets of directions:

(a) the Respondents shall rectify and complete the fifteen works specified in paragraph 60 of the order; works directed for immediate rectification shall be completed without

further delay, and the remaining works within ninety (90) days from the date of the order;

(b) Respondent No.1 shall pay a penalty of Rs.6,00,000/- under Section 59 of the Act within sixty (60) days of receipt of the order; and

(c) Respondent No.1 shall register the project under Section 3 of the Act within forty-five (45) days of receipt of the order, and until registration is obtained, shall not market, book, sell, offer for sale or invite any person to purchase any unit in the project.

Paragraph 67 of the order expressly cautioned that failure to comply with these directions would attract penalty under Section 63 of the Act.

4. Further, paragraph 59, the Authority consciously declined relief concerning construction on the clubhouse portion, which is sub judice before the Hon'ble High Court in W.P. No. 1572 of 2020. Amenities located in the clubhouse therefore do not form part of paragraph 60 and are not the subject of execution. Then, of the fifteen works in paragraph 60, two are conditional item 5 the compound wall gap is to be completed upon resolution of the said litigation, and item 6, a single coat of external painting after completion of civil works in the remaining two towers. The remaining thirteen directions are unconditional, of these, items 2, 3, 13 and 15 were directed to be carried out immediately or without delay.

5. The period of ninety days from 03.03.2025 was over on 01.06.2025, and no appeal under Section 44 of the Act has been preferred against the order, nor is any order of stay before us. The order is final therefore and binds the Respondents. The Execution Petitioner repeated its pleadings and submitted that works have not progressed and none of the directions has been implemented. Add any specific items highlighted by Petitioner, e.g., STP, fire safety, third lift, etc.

6. Respondents stated that some works have been completed and the rest are in progress. Their principal submission is that due to restraint on sale in direction (c) they could not sell the unsold units and, in the absence of inflow of funds, could not complete the project. Respondents have not disputed that the project remains incomplete. No item-wise compliance report filed.

7. An execution proceeding is limited to enforcing the order as it stands. This Authority, while executing its own order, cannot go behind it, re-examine the merits, or allow Respondents to reopen issues already decided. Respondents cannot treat the ninety-day period as open-ended for compliance purposes, nor seek extensions on the ground that works are being attended to.

8. Whether a direction has been complied with is a matter peculiarly within the knowledge of the party bound by it and therefore compliance by verifiable material lies with the Respondents. A statement that works are in progress, an undertaking, a proposed schedule or photographs without statutory certificates or proof of completion and functionality do not amount to compliance with a binding order.

9. The Respondents have not established compliance with any of the thirteen unconditional directions in paragraph 60, nor with directions (b) and (c) of paragraph 66. The pendency of W.P. No. 1572 of 2020 furnishes no answer, the terrace waterproofing, lift pits, power supply, Diesel Generators, third lift, central park, Manjeera connection, jogging track, visitors' lounge, landscaping, water softener, fire safety, visitor parking and STP are independent of the disputed clubhouse land.

10. The plea proceeds on a mischaracterisation of the order. There is no "stay" on sale. Section 3(1) of the Act itself forbids a promoter from advertising, marketing, booking, selling or offering for sale any unit in a real estate project without registering it with the Authority. Direction (c) merely recorded that statutory consequence and, by its own terms, ceases to operate the moment registration is obtained a step entirely within the Respondents' control, for which forty-five days were granted. The inability to sell is thus the direct result of the Respondents' own failure to register.

11. It is a settled principle that a party cannot take advantage of its own wrong. The Hon'ble Supreme Court in *Kusheshwar Prasad Singh v. State of Bihar*, (2007) 11 SCC 447, applied the maxim *nullus commodum capere potest de injuria sua propria* no one can be allowed to benefit from his own wrong. Having defaulted on direction (c), the Respondents cannot rely on the consequences of that very default to excuse non-compliance with direction (a).

12. Further, the works in paragraph 60 relate to amenities and defects in towers already sold, occupied and handed over, for which consideration has been received from the allottees. The obligation to provide them flows from Section 11(4)(a), and the obligation to rectify defects without further charge from Section 14(3), of the Act. These obligations are owed to the existing allottees and cannot be made contingent upon future sales of unsold inventory.

13. Registration, in fact, answers the Respondents' own concern. Upon registration, the proceeds realised from allottees are channelled through the separate account mandated by Section 4(2)(l)(D) of the Act and applied towards the cost of construction. The plea, far from excusing the default, confirms a continuing failure to comply with direction (c). Point (ii) is answered against the Respondents.

14. Section 63 of the Act provides:

> *"63. If any promoter, who fails to comply with, or contravenes any of the orders or directions of the Authority, he shall be liable to a penalty for every day during which such default continues, which may cumulatively extend up to five per cent., of the estimated cost of the real estate project as determined by the Authority."*

15. The Act, however, makes specific provision for two of the defaults found above. Under Section 59(2), a promoter who does not comply with the orders, decisions or directions issued under Section 59(1), or continues to violate Section 3, is punishable with imprisonment for a term which may extend up to three years, or with a fine which may extend up to a further ten per cent. of the estimated cost of the project, or with both. Further, under Section 40(1), any penalty imposed by the Authority that remains unpaid is recoverable as an arrear of land revenue in the manner prescribed under Rule 23 of the Rules. Where the statute provides a specific consequence, it must govern. Accordingly, this Authority invokes Section 63 for the failure to carry out the works in direction (a), and deals with directions (b) and (c) under Sections 40(1) and 59(2) of the Act. The Respondents were put on notice of the consequence under Section 63 by paragraph 67 of the order dated 03.03.2025

16. In fixing the quantum, the Authority has weighed the nature of the directions defaulted several concern the safety of residents, namely fire safety, the open third-lift shaft, the electrical system and the STP; the fact that more than five hundred flats are in occupation; the continuance of default since 02.06.2025; and the absence of even an item-wise account of compliance. At the same time, the Authority is conscious that the object of Section 63 is to secure compliance rather than merely to punish. Balancing these considerations, a penalty of Rs.1000/- per day is considered proportionate.

17. In view of the foregoing, the Execution Petition is allowed, and it is directed as follows:

a. Respondent No.1 is liable to a penalty under Section 63 of the Act at the rate of Rs1000/- (one thousand) per day, for every day of default commencing from 02.06.2025 and continuing until compliance with all unconditional directions in paragraph 60 is established before this Authority (subject to the cumulative ceiling). The penalty accrued up to the date of this order is Rs.5,34,000/-(Five Lakhs thirty-four thousand rupees only) and shall be paid within thirty (30) days in favour of TG RERA, A/c No. 50100595798191, HDFC Bank, IFSC HDFC0007036. Penalty accruing thereafter shall be paid at the end of every calendar month until compliance is established.

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TELANGANA REAL ESTATE REGULATORY AUTHORITY

b. The Respondents shall, within thirty (60) days, file an item-wise compliance report on affidavit in respect of each direction in paragraph 60, supported by documentary proof of actual completion and functionality including, as applicable, the renewed Fire Department approvals, the statutory licence or certificate for operation of the third lift, the report of a certified electrical inspector, and the commissioning and handover record of the STP. A mere undertaking, assurance, proposed schedule, progress statement or photograph shall not constitute compliance. No routine extension shall be granted.

c. Respondent No.1 shall initiate steps for filing of application for registration of the project under Section 4 of the Act within fifteen (15) days.

d. The penalty of Rs.6,00,000/- imposed by the order dated 03.03.2025, and any amount under clause (b) above that remains unpaid on its due date, shall be recovered from Respondent No.1 as an arrear of land revenue under Section 40(1) of the Act read with Rule 23 of the Rules. The Secretary of the Authority shall forward the requisite recovery certificate to the concerned District Collector.

18. Execution Petition stands disposed. No order as to costs.

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

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