

TELANGANA REAL ESTATE APPELLATE TRIBUNAL: HYDERABAD
 Krishna Hostel, Opp. to Canteen, Ground Floor, Dr. MCR HRDI Campus, Road
 No.25, MP & MLA's 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 Smt. Chitra Ramchandran, Administrative Member.

T.A.No. 18 of 2025

Between:

Ambara Township Mutually Aided Co-operative
 Housing Society Ltd., Gadwal, represented by its
 President P.Adivappa, IFS (Retd), H.No.2-2-1105/5/7,
 Tilak Nagar, New Nallakunta, Hyderabad - 500 044.



...Appellant

AND

1. State of Telangana, represented by its Chief Secretary,
 Secretariate, Hyderabad - 500 022.
2. Special Chief Secretary, Department of Housing
 Secretariat, Hyderabad - 500 022.
3. Managing Director, Telangana Rajiv Swagruha
 Corporation Ltd., H.No.3-6-184, Street No.17,
 Urdugalli, Himayath Nagar, Hyderabad.
4. Director, Town & Country Planning, A.C. Guards,
 Hyderabad - 500 004.
5. District Collector, Jogulambha Gadwal District,
 Gadwal - 500 125.
6. Municipal Commissioner, Gadwal - 509 125.
7. Additional District Collector (L.B), Gadwal.

.. Respondents

Appellant	: Party-in-person
Standing Counsel for Respondent No.3	: Mr.K.Madhusudan Reddy
Respondent No.4	: Mr.N.Vidyasagar, Dy.Director
Date of Decision	: 22.01.2026

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

This appeal arises from out of the Order, dated 04.10.2024, passed by the Telangana State Real Estate Regulatory Authority, Hyderabad, (hereinafter referred to as 'the Regulatory Authority), in Complaint No. 508 of 2022, whereby the complaint filed by the appellant/complainant has been disposed of directing the Managing Director, Telangana Rajiv Swagruha Corporation Limited (Respondent No.3 herein) to pay a penalty of Rs.2,16,000/-, under Section 38 read with Sections 59 and 60 of the Real Estate (Regulation and Development) Act, 2016 (for short 'the Act, 2016'), for violation of Sections 3 and 4 of the Act, 2016 in favour of TG RERA Funds and to register the Project 'Ambara Township' with the Regulatory Authority at the earliest strictly complying with the provisions of Sections 4(2)(1)(D) and 13 (1) of the Act, 2016, failing which penal consequences as envisaged under Section 63 of the Act, 2016 shall be attracted.

2. The case of the appellant/complainant, in brief, as contained in the complaint is that respondent No.3/promoter has been dealing with a real estate venture at Gadwal having 622 open residential plots in an area of 80 acres since 2013, out of it 420 plots were sold in the same year itself and that the balance 202 plots were put up for sale through open auction and 201 plots were sold in

favour of H1 bidders during in the month of March, 2022. It is further stated that respondent No.3 has not obtained sanctioned plan from the competent authority and not developed the layout since 2013 as per the norms and also not obtained registration certificate of project in Form C under Rule 5(1) of the Rules, 2017. Further, respondent No,3 has advertised, marketed and sold open plots through open auction in commercial lines and not executed agreement of sale even though it has collected more than 10% H1 bid amounts, contravening the Act and Rules, adversely affecting the interests of allottees.

3. It is further stated that there exists a T.L.P No.05/2017/H/dt.25-01-2018 of DTCP, and as per the Telangana Municipal Land Development (Layout and Sub-Division) Rules 2021 and the MA & UD G.O. Ms No.105 dated 05-07-2021 (issued in exercise of powers conferred by Sections 172, 174, 175, 176, 177, 178, 180 and 238 of the Municipalities Act, 2019, and Section 6 of TSbPASS Act 2021, the Respondent No.3 is obligated to provide amenities, layout, safeguards, etc, and more specifically, Rule 8(1) in which it is stipulated that the developer shall complete the infrastructure and amenities within a period of 2 years from the date of approval of tentative layout plan and as per Rules 11 and 12, the Final Layout Plan & 15% of plotted area mortgaged at the time Tentative sanction of layout shall be released only after due process of development of all amenities and infrastructure etc, and then only the owner is permitted to go for sale of plots.

4. It is further stated that Respondent No.3 has not obtained registration certificate of project in Form- C under rule 5(1) of Rules, 2017 from TG RERA when the Authority has come into operation or thereafter. Subsequently, it was notified through Auction Notification G.O. Rt. No. 23, dated 09-02-2022 and E1/980/2021, dated 11-02-2022, for sale of remaining (202) plots in Rajiv Swagruha Corporation Ltd, Telangana Sate in 'AMBARA TOWNSHIP' at Gadwal. The open auction was conducted from 14th March 2022 to 17th March 2022. As per Section 3(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 in any real estate project or part of it, in any planning area, without obtaining 'Registration Certificate of Project' in Form C issued from TG RERA.

5. It is further stated that the Government reserve upset price was Rs.5,500/- per Sq. Yard vide Press Notification dt. 17-02-2022, however, the Letter of Offer 4 of 13 contains unilateral, arbitrary conditions of schedule of payments in contravention of Section 13 (1) of the Act, 2016 incorporating payment of more than 10% of cost of plot, hence, liable for quashing/restrained, all excess amounts, including penalties, to be refunded with interest, till agreement of sale is executed by the Promoter. The auction held during March 2022 has fetched an amount of Rs.51,92,24,400/- as against the expected revenue of Rs.32,89,22,000/- and as such, Respondent No.3 has fetched an excess revenue of Rs. 19,03,02,400/-. Further, the Final Layout Plan No.& date

of sanction from the competent authority was not included in advertisement or notification. Similarly, details of Certificate of registration under RE (R&D) Act, 2016 were not given. Further, as per Section 4(2) (g) proforma of the allotment letter, agreement for sale, and the conveyance deed proposed to be signed with the allottees is not made available and that as per Section 4 (2) (1) (D), 70% of amounts realised is not deposited in a separate account etc.

6. It is further stated that no real estate agents were registered under Section 9 of the Act, 2016 and the District Collector, Jogulamba Gadwal District, respondent No.5 herein, has facilitated functions of a real estate agent under Section 10 of the said Act and under Rule 8 of Rules 2017. That no web page on the website of the Authority is operative as per Section 11 & Rule 14. The purchasers of plots are denied of updates of progress, development of the project from time to time. That the Promoter has not furnished information on time schedule of completion of project etc., and under Section 11 (3) (a) (b) of the Act, 2016 not executed an agreement of sale after payment of 33% of the H1 bid price of plot, to enable protection under Section 11 (4) (h) of the Act, 2016.

7. The Complainant Society, in the light of the above-mentioned violations, prayed for the following:

(a) Since the Letter of Offer contains unilateral, arbitrary conditions of schedule of payments in contravention of Section 13 (1) of the Act, 2016 incorporating payment of more than 10% of cost of plot, it is liable to be

quashed/restrained all excess amounts, including penalties, to be refunded with interest, till agreement of sale is executed by the Promoter.

(b) The demands & Schedule of Payments raised with a timeline, punitive/adverse conditions incorporated, such as forfeiture of 1st instalment of 33% of H1 bid amount paid, cancellation of sale orders, re-sale of such plots, imposition of penal interest for the purported 'delay' in payment of instalments etc., as indicated in Confirmation Cum- Allotment Letters issued by the District Collector, Jogulamba Gadwal District to the allottees/purchasers of plots during March, 2022 may kindly be quashed/restrained as illegal, arbitrary, violation of the extent Acts/Rules/Norms, as the open plots should not have been sold without obtaining Final Layout Approval in accordance with Section 6(4) of TSbPASS Act 2020, and a Completion Report/Certificate (r/w definition u/s 2(q) of RE (R&D) Act, 2016) on development & providing of infrastructure facilities etc., of layout by the District Layout Approval TSbPASS Committee as per Rule 11(3) of Telangana Municipality Land Development (Layout and Sub-division) Rules 2021 (TMLD Layout & Sub-division) Rules 2021).

(C) The promoter has advertised through media, off- line & on-line, marketed, booked, sold and offered, invited persons to purchase open plots in the real estate project without registering the real estate project with the Telangana Real Estate Regulatory Authority, contravening

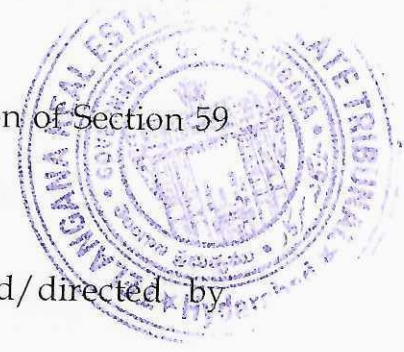
Section 3 (1) of the Act, 2016 which attracts penal provision of Section 59 (2) of the Act, 2016.

(d) That the notices already levying penalties, issued/directed by Respondent Nos.3 & 4 herein, may be quashed/restrained and to direct not to issue further such notices, and refund penalties paid by the allottees/purchasers of plots with interest.

(e) To direct the respondents to keep continuity of sustainability of intent of interest to purchase the plot as H1 bidders, as per the Section 11(4) till the agreement for sale is executed by the Promoter as per re-scheduling of timeline after the Promoter obtains Registration Certificate of Project in Form C under rule 5 (1) from TS RERA.

(f) Such purchaser who had paid EMD, (and refrained from paying 33% of 1st instalment so far, irrespective of the reason) may be permitted to pay next payable amounts with due notice to such purchaser/allottee.

(g) Since no Layout Approval was obtained from the competent authority, duly following procedure established by law, sale of un-developed plots in an unfair/illegal way was purely with sole objective of monetization of assets, respondent No.3 may be directed to obtain tentative and Final Layout Approval as per TSbPASS Act 2020, and Telangana Municipal Land Development (Layout and Sub-division) Rules 2021.



(h) To direct the respondents to execute an agreement of sale as per Section 13 (1) & (2) of the Act 2016, and rule 38 of Telangana real Estate (Regulation and Development) Rules, 2017, (for short 'the Rules, 2017) duly incorporating: (a) re- scheduling the time-line of payments; (b) providing for 2% of discount; (c) issue of NOC; (d) providing quarterly time-line of information of: (i) details of different estimates showing quantities, rates and amounts of cost of the project; (ii) obtaining of mandatory sanctions from competent authorities; (iii) progress of development of layout as per sanctions; (iv) providing of infrastructure facilities etc., after the Promoter complies with registration of the real estate project.

(i) To direct the promoter to open, maintain and operate a separate account in a scheduled bank u/s 4(2) (1) (D), and 70% of amounts realized from time to time, including from the amounts already paid by purchasers in the project and be used for development etc., instead of the present practice of all the proceeds are remitted into treasury of TS government.

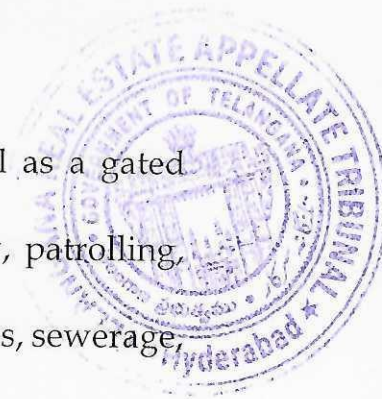
(j) That if web page of the real estate project of the promoter is not operative for any reason, quarterly progress of hard copies may be furnished to the allottees/association.

(k) To direct the respondents to do latest technological DGPS survey of the project, digitize with Geomatics, in place of the present mere sketch of linear distances, which do not suffice.

(l) To direct the respondents to construct a compound wall as a gated community, with an inner ring road for safety and security, patrolling, movement of men and material, lay infrastructure like IT cables, sewerage, water pipelines etc. as the project is in an isolated place.

8. Respondent No.3 filed a reply, *inter alia*, contending that the land to an extent of Ac 80.00 in Sy No.633/part to 641 /part, 643/part and 646/ part at Industrial Park, Gadwal was taken over from Zonal Manager, APIIC Limited, Shamshabad Zone. The layout was prepared for 622 plots in Ac. 80.00 of land and submitted to DTCP for its approval on 21.10.2013. Accordingly, the draft layout approval has been received from DTCP, vide Letter No. ROC. No.10621/2013/H dated 01.03.2014. Further, the allottees at the time of auction/allotment have given undertaking to reduce the price of the plot and to develop the layout with semi developed plots limiting its activities to the extent of (i) Preparation of Layout, (ii) Marking plots, (iii) Form the gravel roads, (iv) Assignment of plot number by lottery. Accordingly, preparation of layout, laying of gravel road, marking of plots etc has been done by the department and the roads, open spaces aces and civic amenities were handed over to the Gadwal Municipality through a registered gift deed to the Municipality.

9. It is further contended that in Ambara Township, Gadwal, the layout was prepared for 622 plots and put up for sale prior to 2016. Out of which, 420 plots



allottees have paid full amount and 202 allottees have not paid and hence allotment cancelled. Now, the leftover/ defaulter plots of 201 are put to auction through District Collector/HMDA. Accordingly, the 1st phase of auction was conducted in the month of March 2022 and 2nd phase of Auction was Conducted on 17.03.2023 & 18.03.2023. Out of 201 plots, 190 plots were sold, and 11 plots are unsold. At the time of auction through the District Collector, it was mentioned in the brochure that minimum basic infrastructure facilities will be provided by the Government as per the layout norms. Accordingly, the Government has sanctioned an amount of Rs.3.34 crores for providing basic infrastructure facilities such as WBM Roads, Drains and Electrification to the Township. The infrastructure facilities work has been taken up by the District Collector through District level agencies i.e., Gadwal Municipality and work is under progress.

10. It is further contended that Rule 1 (2) of Rules, 2017 is applicable to all Real Estate Projects whose buildings permission approved on or after 01.10.2017 by the competent authorities viz., UDA's/ DTSCP/Municipal Corporation/ Municipalities/ Nagar Panchayats/ TSIIC. Since the layout is approved and sale of plots started prior to 01.01.2017, this project does not fall under the purview of RERA. Further, the complainant has also approached the Hon'ble Court, vide W.P Nos.7291 and 29698 of 2023 for applicability of RERA,

and respondent No.3 has filed a counter in the said Writ Petitions contending that this project does not fall under the purview of RERA.



11. After hearing the parties and perusing the entire material available on record, the learned Regulatory Authority, vide impugned order, dated 04.10.2024, disposed of the complaint filed by the appellant/complainant as stated supra.

12. Feeling partially aggrieved by the aforesaid order, dated 04.10.2024, the present appeal has been preferred by the appellant/complainant.

13. We have heard the parties and have gone through the entire material placed on record.

14. The point that arises for consideration in this appeal is as under:

"Whether the impugned order, dated 04.10.2024, passed by the learned Regulatory Authority is sustainable in law?"

POINT::

15. In the instant case, the appellant/complainant is mainly relying on the Ambara Township final layout permission obtained by the Telangana Rajiv Swagruha Corporation Limited i.e., respondent No.3 herein from the Director of Town and Country Planning on 25.01.2018. A perusal of the layout permission would disclose that it has been obtained after enactment of the Act, 2016 and as such respondent No.3 being a promoter of the project 'Ambara Township' ought to have registered the project with the Regulatory Authority

in line with the provisions of Sections 3 and 4 of the Act. Admittedly, respondent No.3 has issued letters for allotment of plots without having registered the project with the Regulatory Authority in violation of the said provisions. Therefore, the learned Regulatory Authority, vide impugned order dated 04.10.2024, has rightly imposed penalty of Rs.2,16,000/- on respondent No.3, under Section 38 read with Sections 59 and 60 of the Act, 2016, for violation of Sections 3 and 4 of the Act and also directed him to register the subject project with the Regulatory Authority duly complying with the provisions of Sections 4 (2)(1)(D) and 13 (1) of the Act, 2016.

16. The 3rd respondent in his reply has stated that in compliance with the directions of the learned Regulatory Authority, vide impugned order dated 04.10.2024, he has applied for registration of the subject project by paying an amount of Rs.2,01,327.50 towards registration fee and also paid penalty of Rs.2,16,000/- in favour of the RERA on 02.01.2025. However, the Regulatory Authority stated that the layout time has lapsed in the year 2020 and required extension of layout time.

17. A perusal of the proceedings issued by the Superintendent Engineer, Telangana Rajiv Swagruha Corporation Limited, Hyderabad, dated 18.03.2025, would disclose that an amount of Rs.2,16,000/- towards penalty imposed by the learned Regulatory Authority, by order dated 04.10.2024, on the 3rd respondent, has been paid by way of Demand Draft bearing No.153645, dated

18.03.2025, drawn on Canara Bank, Nampally, in favour of the Telangana Real Estate Regulatory Authority Fund.

18. A perusal of the proceedings of the Municipal Commissioner, Gadwal, dated 11.11.2025, would disclose that Technical Layout Permission has been extended for One year from 11.11.2025 to 10.11.2026, as the 3rd respondent had handed over the open space and roads to the Commissioner, Gadwal Municipality through registered Gift Deed dated 25.04.2023. Therefore, the contention of the appellant that the said proceedings dated 11.11.2025 are without jurisdiction cannot be accepted since the extension was granted in accordance with the provisions of the Act, 2016 after due consideration of the facts and circumstances of the case.

19. Further, the Telangana Real Estate Regulatory Authority has granted Registration Certificate of the Project (Ambara Township) in Form 'C' on 14.11.2025 from 16.02.2018 to 10.11.2026 subject to the provisions of the Act, 2016 and the rules and regulations made thereunder. In this regard, the appellant prayed this Tribunal to initiate proceedings under Section 7 of the Act, 2016 for revocation of the said Registration Certificate. We are of the opinion that the 3rd respondent has neither violated Section 7(1)(C)(A) of the Act, 2016 nor committed any act warranting revocation. Therefore, the said request of the appellant is untenable.

20. So far as the subsequent violations of the provisions of the Act, 2016 raised by the appellant/complainant, such as Section 4 (2)(1)(D) (Creation of



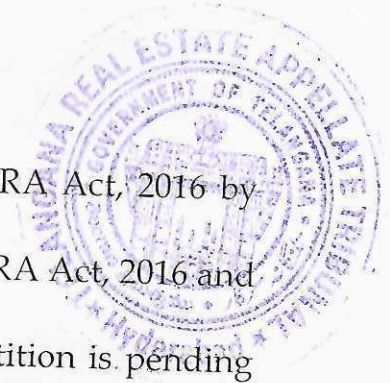
separate bank account for the purpose of deposit of amounts realized for the real estate project from the allottees) and Section 13(1) (not accepting a sum more than 10% of the total sale consideration) are concerned, the 3rd respondent submitted that the amounts to be paid by the allottees are still pending and the said matter is pending adjudication before the Hon'ble High Court vide W.P.No.7291 of 2023 and W.P.No.29698 of 2023, which were filed by the appellant/complainant.

21. From a perusal of the record, it is evident that the appellant/complainant filed a W.P.No.7291 of 2023 seeking a Writ of Mandamus declaring the action of respondent Nos. 3 and 5 herein in issuing the Notification vide E1/980/2021, dated 21.02.2023 calling bids for sale of 54 open plots at Ambara Township in Gadwal Village and Mandal of Jogulamba Gadwal District and fixing the tentative date of open auction as 17.03.2023 without obtaining Layout Permit from the competent authority and without obtaining Registration Certificate under the Real Estate Regulation and Development Act, 2016 as illegal arbitrary violative of provisions of the Telangana Municipalities Act, 2019, Telangana State Building Permissions Approval and Self Certification System Act, 2020, TSbPASS Act 2020, Telangana Municipal Land Development Layout and Subdivision Rules, 2021 and the Real Estate Regulation and Development Act, 2016 and Rules made thereunder and violative of Article 14 of the Constitution of India and to direct the respondents to proceed with the proposed auction in Ambara Township Project only after obtaining the Layout Approval from the

Competent Authority and Registration Certificate under RERA Act, 2016 by stating payment schedule of plot cost as prescribed under RERA Act, 2016 and to quash the Notification dated 21.02.2023. The said Writ Petition is pending adjudication before the Hon'ble High Court.

22. The appellant/complainant and others also filed W.P.No.29698 of 2023 seeking a Writ of Mandamus declaring the action of the respondents in issuing the impugned Notice vide E1/980/2021 dt /09/2023 directing to pay 2nd and 3rd instalment without obtaining Layout Permit from the competent authority and without obtaining Registration Certificate under the Real Estate Regulation and Development Act 2016 in respect of Ambara Township in Gadwal Village and Mandal of Jogulamba Gadwal District as illegal arbitrary violative of provisions of the Telangana Municipalities Act 2019, Telangana State Building Permissions Approval and Self Certification System Act, 2020, TSbPASS Act, 2020, Telangana Municipal Land Development Layout and Sub Division Rules 2021 and the Real Estate (Regulation and Development) Act, 2016 and Rules made thereunder and violative of Article 14 of the Constitution of India and consequently set aside the impugned notices and to direct the respondents to obtain the Layout Approval from the Competent Authority and Registration Certificate under RERA Act, 2016 and to comply with the provision of the RERA. Act and Rules made thereunder.

23. Along with the aforesaid Writ Petition, the appellant/complainant filed I.A.No.1 of 2023 seeking to stay the impugned notices issued by the 6th



respondent therein, wherein the Hon'ble High Court, vide interim order dated 18.11.2023, directed the appellant/complainant and 70 others to deposit the due amounts under the second and third instalments in respect of the plots purchased by them with the Registrar (Judicial-I), High Court of Telangana, on or before 15.12.2023 and on such deposit, the same shall be deposited in a fixed deposit with the State of Bank of India, High Court Branch, Hyderabad. Against the said interim order dated 18.11.2023, the appellant and others filed W.A.No.1158 of 2023 before a Division Bench of this Court and the same was dismissed as withdrawn with liberty to file an application seeking modification of the order dated 18.11.2023, vide judgment dated 13.12.2023. Therefore, the very relief prayed for by the appellant is *sub judice* before the Hon'ble High Court.

24. So far as the penal action under Section 63 of the Act, 2016 is concerned, since the 3rd respondent has complied with the directions of the learned Regulatory Authority issued under impugned order, dated 04.10.2024, no penal action shall be attracted against the 3rd respondent.

25. Having regard to the aforementioned reasons, we are of the considered opinion that nothing further survives for adjudication in this appeal. Further, this Tribunal finds that some of the reliefs prayed for by the appellant are not within the purview of the provisions of the Act, 2016 and as such he is at liberty to invoke the jurisdiction of the concerned authorities for redressal of his grievances/violations.

