

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

[Under the Real Estate (Regulation and Development) Act, 2016]

SUO MOTU CASE NO. D6/318/2025

of 22nd June 2026

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

M/s Iconic Infra Groups,

*(Rep. by its Managing Partner Sri Dasaradhi Venkata Ramaraju Udimudi,
4th Floor, Above D Mart, Vansthalipuram, Hyderabad 500070)*

...RESPONDENT-1

M/s Honey Dew Infrastructure Limited

(Rep. by Sri Bhanu Prasad)

...RESPONDENT-2

ORDER

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 “RE(R&D) Act, 2016”), based on brochure published by M/s Iconic Infra Group for advertising, marketing, selling, and inviting prospective buyers to purchase plots in its following projects without obtaining mandatory registration with the Telangana Real Estate Regulatory Authority:

- 1) Treasure County Phase – Yacharam, Sagar Highway
- 2) Vintage County – Adibatla, Magalpally, Sagar Highway
- 3) Metro County – Kothur, Srisailam Highway.

2. Pursuant to the said advertisement through brochure and in the exercise of powers under Section 35(1) of RE(R&D) Act, 2016, Show Cause Notice, dated 12.02.2025, was issued to the Respondent No.1, directing them to submit an explanation within seven days from the date of receipt of the notice as to why the 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.

3. In response to the Show Cause Notice, the Respondent No.1 submitted a reply on 20.03.2025, submitting that they are not land owners but are only engaged in providing marketing and sales support services to the landlords. It was further submitted that all

permissions and approvals stand in the name of the landlords, and the details of RERA registrations for each of the projects were furnished as follows:

- a) Treasure County- Phase I, Yacharam, Nagarjuna Sagar Highway- P02400004443.
- b) Treasure County- Phase II- P02400004500.
- c) Vintage County- at Adibatla- Magalpally-Sagar Highway- P02400009366.
- d) Metro county at Kothu-Srisailem Highway approved by HMDA in 2018 and its LP.No.23/LO/PLG/HMDA/2018, all the plots in the project are divided and registered as per partners' share after getting the LP number.

4. Upon examination of the reply submitted by M/s Iconic Infra Group, this Authority scheduled and conducted hearings in the matter on 17.04.2025, 22.04.2025, and 02.05.2025. During the hearing held on 02.05.2025, M/s Iconic Infra Group, represented by its partner Sri Ramaraju, submitted that out of the four projects attributed to them, three were registered under RERA in the name of respective promoters. However, he clarified that the project “Metro County” was not registered, and the said project pertained to M/s Honey Dew Infrastructure Ltd., represented by Sri Bhanu Prasad.

5. Taking cognizance of this submission, the Authority directed issuance of a Show Cause Notice to M/s Honey Dew Infrastructure Ltd., i.e, Respondent No.2, which was duly issued on 07.05.2025 under violation of Sections 3 and 4 of the RE(R&D) Act, 2016.

6. In response to the Show Cause Notice, Respondent No.2, M/s Honey Dew Infrastructure Pvt. Ltd., through its representative Mr. Bhanu Prasad, filed a written reply dated 13.05.2025 stating that the company had applied for HMDA approval for a residential layout in the year 2016 vide Lr. No. 300233/LO/Plg/HMDA/2016. Pursuant thereto, HMDA granted Draft L.P. No. 23/LO/Plg/HMDA/2018 on 17.11.2018. Based on the said draft approval, the company developed the layout and, during 2019–2020, sold all the plots therein to individual purchasers. It is further submitted that, upon completion of the required developmental works and documentation, HMDA granted final approval vide Final L.P. No. 23/LO/Plg/HMDA/2018 dated 31.12.2020.

7. Respondent No.2 also submitted that some of the individual plot owners in the said layout have recently chosen to resell their respective plots. It is further submitted that it has already fulfilled all its obligations as a developer, and that the present transactions relate only to resale by individual owners.

8. Subsequently, upon considering the reply, the matter was placed before this Authority for further proceedings. On 09.06.2025, a hearing was conducted, during which the Promoter/ Respondent - 2 appeared and was directed to furnish their oral submissions in writing.

9. In compliance with the said direction, the Promoter/ Respondent - 2, vide letter dated 13.06.2025, submitted the following contentions:

- i. The company had applied for HMDA layout approval under Lr. No. 300233/LO/Plg/HMDA/2016 and was issued *Draft Layout Approval No. 23/LO/Plg/HMDA/2018*, dated 17.11.2018.
- ii. Based on the draft approval, all plots were sold during 2019–2020 to various buyers.
- iii. Final layout approval was subsequently issued on 31.12.2020, vide *Final LP No. 23/10/Plg/HMDA/2018*.
- iv. Nearly five years after the sale, individual plot owners approached *M/s Iconic Infra Group* for marketing and resale activities. These current activities relate to secondary or tertiary sales.
- v. The company claimed it is no longer engaged in the sale of any plots and has only maintained the layout infrastructure, such as roads, avenue plantations, etc., since 2019.
- vi. At the time of initiating the project and sales, the RE(R&D) Act, 2016, was not in force. Further, the promoter submitted that even post-enforcement, regulatory focus was primarily on constructed developments, and plotted layouts were not brought within RERA's effective purview in the initial years.
- vii. It was only after the full layout development was completed and plots were sold that clarity emerged on the applicability of RERA to plotted projects. The promoter, therefore, assumed that registration was not required.
- viii. Nevertheless, the company expressed readiness to comply with any directions issued by the Authority and to undertake RERA registration if so mandated.

Observations of the Authority:

10. Upon careful examination of the reply submitted by Respondent No.1 and the material placed on record, this Authority observes that Respondent No.1, *M/s Iconic Infra Group*, was actively engaged in the advertising, marketing, and promotion of the project styled as "Metro County" situated at Kothur, Srisailam Highway, without being registered as a Real Estate Agent under the RE(R&D) Act, 2016. Section 9(1) of the RE(R&D) Act, 2016, unequivocally provides that *no person shall act as a real estate agent or engage in any business relating to the marketing or sale of any real estate project without first obtaining registration* from the concerned Authority. In the present case, Respondent No.1 has itself admitted that it was engaged in providing marketing and sales support services in

respect of the Metro County project during the relevant period, without at any point being a registered real estate agent under the RE(R&D) Act, 2016. The records of this Authority further reveal that Respondent No.1 applied for registration as a real estate agent only subsequent to the issuance of the Show Cause Notice, thereby establishing wilful and prolonged non-compliance. Such conduct attracts penal consequences under Section 62 of the RE(R&D) Act, 2016.

11. Notwithstanding the above, this Authority is constrained to observe that the conduct of Respondent No.1 far exceeded the role and function ordinarily expected of a real estate agent. A registered real estate agent is, under the scheme of the RE(R&D) Act, 2016, only an *intermediary* whose role is limited to facilitating transactions between a promoter and a prospective purchaser. Section 10 of the RE(R&D) Act, 2016, casts the following obligations on a real estate agent:

- a. not to facilitate the sale or purchase of any plot, apartment, or building in a real estate project which has not been registered with the Authority
- b. to maintain and preserve such books of account, records, and documents as may be prescribed.
- c. not to engage in any unfair trade practices; and
- d. to facilitate the possession of all the information and documents, as the prospective allottee is entitled to at the time of booking, to such allottee.

12. Respondent No.1 was obligated, at the very minimum, to verify whether the project it was marketing had obtained RERA registration before commencing any promotional activity. Having failed to discharge even this elementary statutory obligation, Respondent No.1 cannot take shelter behind the plea that it was a mere marketing service provider.

13. This Authority, upon examination of the advertisement brochure placed on record and forming part of the material that triggered the present Suo Motu proceedings, notes a matter of serious concern. The brochure prominently displays the project as "*ICONIC'S METRO COUNTY*" with the tagline "*the unique space...*" and the slogans, along with the registered logo and brand identity of Respondent No.1, M/s Iconic Infra Group. The brochure depicts the project as belonging to and being offered by Respondent No.1, and nowhere in the promotional material is there any disclosure that the project was developed by and belongs to Respondent No.2, M/s Honey Dew Infrastructure Ltd., or that the plots being offered for purchase are resale plots owned by individual plot-holders. It is further noted that identical branding is adopted by Respondent No.1 in respect of other projects as

well – the brochures for projects such as "Iconic's Treasure County" and "Iconic's Vintage County" bear the same "Iconic's" prefix – giving the clear impression that Respondent No.1 is the promoter, developer, and seller of all such projects, including Metro County.

14. This representation is false and misleading on multiple counts. First, the use of the brand prefix "Iconic's" for a project that was developed by an entirely different entity, viz., Respondent No.2, creates a direct and false association between Respondent No.1 and the ownership or development of the Metro County project. Second, nowhere in the brochure is there any reference to the actual promoter/developer., or to the fact that the plots are being offered for secondary/tertiary resale by individual plot-owners. Third, the brochure presents the project comprehensively with a full layout plan showing all 87 plots, pricing structures, extra charges on specific plot-facing directions, road widths, open areas, social infrastructure, amenities block, and HMDA approval details, representations that are characteristic of a primary sale by a promoter, and not of a resale transaction involving individual owners. Such representations are squarely within the mischief sought to be remedied by Section 12 of the RE(R&D) Act, 2016, which prohibits a promoter from making any false or misleading representation in any advertisement, prospectus, or any other document. The said violation is penal under Section 61 of the RE(R&D) Act, 2016.

15. This Authority further observes that the advertisement brochure placed on record pertains to the entirety of the Metro County layout comprising 87 plots situated in Survey Nos. 1/P, 3/P, 221/P and 275/P at Kothur Village, Kandukur Mandal, Ranga Reddy District, spread over an area of 28,549.15 square meters. The brochure is not restricted to a limited number of individual plots being offered for resale by specific identified owners, on the contrary, it presents the Metro County project as a whole, complete with a colour-coded layout plan depicting all 87 plots, open areas, amenities, social infrastructure, road widths, and directions, i.e., all the attributes of a primary project launch. The contention of the Respondents that the advertisement pertains only to resale of plots by individual owners is, in the considered view of this Authority, wholly unsupported by the content and character of the brochure itself. No real estate agent acting in good faith on behalf of specific individual resellers would publish a brochure advertising the entire layout of 87 plots, complete with amenities and layout infrastructure details, as if it were a live project being offered by a promoter. The inescapable inference is that Respondent No.1 was marketing

the Metro County layout as a whole, without any valid RERA registration having been obtained for the project by Respondent No.2.

16. This Authority further holds that Section 10(c) of the RE(R&D) Act, 2016, imposes a specific and mandatory obligation upon every real estate agent to *not facilitate the sale or purchase of any plot, apartment or building, in a real estate project or part of it, in any planning area, which violates the provisions of the Act.* The plain and unambiguous import of this provision is that no real estate agent shall, at any point of time, market, advertise, or facilitate transactions in any project that has not obtained registration under the RE(R&D) Act, 2016. Respondent No.1, having been aware, as it is admitted that the Metro County project was developed by Respondent No.2 and was not registered with this Authority, was under a statutory duty to refrain from marketing the said project. Its failure to do so amounts to a direct and independent violation of Section 10(c), in addition to the violation of Section 9(1) already established. This violation is penal under Section 62 of the RE(R&D) Act, 2016.

17. Turning to Respondent No.2, M/s Honey Dew Infrastructure Ltd., this Authority finds that the project "Metro County" is squarely covered by the mandatory registration requirement under Section 3(1) of the RE(R&D) Act, 2016. The said section prohibits any promoter from advertising, marketing, booking, selling, or offering for sale any real estate project or any part thereof in any planning area, without first registering the project with the Authority, where the area of land proposed to be developed exceeds five hundred square meters or the number of apartments proposed to be developed in all phases exceeds eight. The Metro County project, comprising 87 plots spread over 28,549.15 square meters, far exceeds both thresholds. Respondent No.2 has categorically admitted that all plots in the project were sold to individual purchasers during the period 2019 to 2020. The RE(R&D) Act, 2016, was notified and brought into force on 01.05.2016, and its provisions became applicable to the State of Telangana with effect from the date of notification. The sales activity undertaken by Respondent No.2 during 2019–2020 was, therefore, clearly undertaken in contravention of Section 3(1) of the RE(R&D) Act, 2016, no registration having been obtained.

18. The Respondent No.2 has sought to justify the non-registration on the ground that the plots were sold during 2019–2020 pursuant to HMDA Draft L.P. No. 23/LO/Plg/HMDA/2018 dated 17.11.2018, and that Final L.P. approval was granted only on 31.12.2020. This contention, far from exculpating Respondent No.2, actually aggravates

the violation. The development of the layout and the sale of plots by Respondent No.2 prior to the grant of final approval on 31.12.2020 establishes that the project was ongoing as on the date of the RE(R&D) Act's commencement and remained ongoing throughout the period of sales. An ongoing project, within the meaning of Clause (b) of the proviso to Section 3(1), is one for which the occupancy certificate or completion certificate has not been granted at the time of commencement of the RE(R&D) Act. In fact, the draft LP was obtained after the commencement of the RE(R&D) Act. Since the final approval was granted only on 31.12.2020, the project was unquestionably an ongoing project throughout the entire period during which the plots were sold by Respondent No.2, and the mandatory obligation under Section 3(1) to obtain RERA registration was inescapably applicable.

19. This Authority further notes that, although no registered sale deeds pertaining to the plots in the Metro County layout have been produced before this Authority, an Encumbrance Certificate placed on record reflects registrations of transactions in respect of the plots spanning the years 2019 to 2023. This is a material piece of evidence. It not only corroborates the submission of Respondent No.2 that plots were sold during 2019–2020 without RERA registration, but also raises a serious concern that transactions pertaining to plots in the Metro County layout continued to be recorded even after 2020 without the project ever having been registered with this Authority.

20. The contention of Respondent No.2 that non-registration occurred due to an alleged lack of clarity regarding the applicability of the RE(R&D) Act, 2016, to plotted layout developments, and that in the initial years regulatory attention was focused primarily on constructed developments, deserves to be unequivocally rejected. The RE(R&D) Act, 2016, does not make any distinction between plotted layout projects and constructed apartment projects for the purposes of mandatory registration under Section 3. The definition of "real estate project" under Section 2(zn) expressly includes the development of buildings and converting or dividing any land into plots, apartments, or buildings, as the case may be, for the purpose of selling all or some of them. Any person engaged in the development and sale of plots is, therefore, a "promoter" within the meaning of Section 2(zk) and is obligated to register the project under Section 3(1) before undertaking any sale or marketing activity. The maxim *ignorantia juris non excusat* – ignorance of the law is no excuse – squarely applies to a commercial entity engaged in the real estate business, which is presumed to know the statutory framework governing its business operations. The absence of

compliance cannot be excused by a claimed ambiguity that does not exist in the text of the statute.

21. In view of the foregoing detailed discussion, this Authority finds that the following violations stand clearly established against the respective Respondents:

Sl. No.	Party / Respondent	Nature of Violation	Provision Violated	Penal Provision
(a)	M/s Honey Dew Infrastructure Ltd. (Respondent No.2)	Marketing, advertising and selling plots in a real estate project without obtaining registration with the Authority	Section 3(1) of RE(R&D) Act	Section 59
(b)	M/s Iconic Infra Group (Respondent No.1)	Acting as a real estate agent without registration under the Act	Section 9(1)	Section 62
(c)	M/s Iconic Infra Group (Respondent No.1)	Facilitating sale/marketing of an unregistered real estate project	Section 10(c)	Section 62
(d)	M/s Iconic Infra Group (Respondent No.1)	False and misleading advertisement/representation in the promotional brochure, including misrepresentation of project ownership and concealment of resale nature	Section 12 read with Section 10(c)	Section 61

Directions of the Authority:

22. 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 9(1), 10(c) and 12 of the RE(R&D) Act, 2016 – namely, acting as an unregistered real estate agent, facilitating the marketing of an unregistered project, and publishing a false and misleading advertisement, Respondent No.1, M/s Iconic Infra Group, is held liable for penalty under Section 62 read with Section 61 of the RE(R&D) Act, 2016. Accordingly, a penalty of Rs.6,78,930/- (Rupees Six Lakhs Seventy Eight Thousand Nine Hundred and Thirty

only) is imposed against Respondent No.1 with a direction to deposit the said amount within 30 days from the date of this Order in favour of the TGRERA FUND, through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036.

- b) For violation of Section 3(1) of the RE(R&D) Act, 2016, namely, advertising, marketing, and selling plots in the Metro County project without obtaining mandatory RERA registration, Respondent No.2, M/s Honey Dew Infrastructure Ltd., is held liable for penalty under Section 59 of the RE(R&D) Act, 2016. Accordingly, a penalty of Rs. 10,18,395/- (Rupees Ten Lakhs Eighteen Thousand Three Hundred and Ninety-Five only) is imposed against Respondent No.2 with a direction to deposit the said amount within 30 days from the date of this Order in favor of the TGRERA FUND, through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036;
- c) Respondent No.1 and Respondent No.2 are hereby directed to immediately cease and desist from advertising, marketing, booking, selling or offering for sale, or inviting any person to purchase in any manner, any plot in the Metro County project or any other real estate project that has not been duly registered with this Authority under the RE(R&D) Act, 2016.
- d) Respondent No.1 is further directed to ensure that in all future promotional material, whether in print, digital, or any other medium it clearly and prominently discloses its status as a real estate agent and the name of the registered promoter of the project being marketed, in conformity with its obligations under the RE(R&D) Act, 2016

23. The Promoter /Respondent No.1 and the Promoter/ Respondent No.2 are 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