

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

SUO MOTU CASE NO. D6/785/2025

Date: 26th August 2025

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

Jillela Sireesha

10-4/9, Srinivasa Gayatri Nagar,

Jillelaguda, Meerpet, KV Rangareddy,

Hyderabad-500097

...Promoter/Respondent

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 a complaint dated 24.03.2025 received from the Complainant herein, Sri M. Venugopal.

(2) The said complaint pertains to allegations of illegal construction and non-compliance with the provisions of the RE(R&D) Act, 2016. The Complainant, Sri M. Venugopal Reddy, alleges that the Respondent has undertaken construction activities in Survey Nos. 430, 431, 325, 427P, and 429P of Kongara Khurd (A) Village, Maheswaram Mandal, Ranga Reddy District, without obtaining mandatory registration from the Telangana Real Estate Regulatory Authority under the RE(R&D) Act, 2016.

(3) The Complaint received by the authority against the respondent pertains to encroachment by the respondent upon Government land falling under Survey No. 432, which is classified as Bhoodan land, and has misrepresented its extent in survey records. It is further alleged that despite HMDA having granted layout approval for open plots, the Respondent has converted the same into a gated community with over 40 individual residential villas, thereby violating the conditions of layout approval and misusing permissions granted for individual residential units.

(4) Further, it has been alleged that the construction and sale of villas fall within the purview of a group housing project and hence attract mandatory RERA registration under Section 3 of the RE(R&D) Act, 2016, as more than 8 units and over 500 sq. meters of land are involved. Moreover, the villas are being constructed in violation of sanctioned building plans by utilizing stilt areas for residential purposes. Therefore, seeking intervention of the Authority to halt further construction and penalize the Respondent for non-compliance and endangering public interest through such unauthorised development.

(5) The Authority issued a Show Cause Notice dated 24-04-2025 under Sections 3 & 4 of the RE(R&D) Act, 2016, based on the prima facie material of engaging into transactions without registering the concerned project before RERA, calling upon the respondent to explain why action should not be initiated for sales in a project that is not registered with TG RERA.

(6) In response to the show cause notice issued by this Authority, the Respondent, Smt. Jillela Sirisha submitted her reply dated 25.04.2025, wherein denying to the allegations considering to be baseless and misconceived, and further submitting that the subject land situated in Survey Nos. 430, 431, 325, 427P, and 429P of Kongara Khurd (A) Village, Maheswaram Mandal, Ranga Reddy District, have been duly approved for residential layout purposes by the Hyderabad Metropolitan Development Authority (HMDA) through the issuance of a final layout permit dated 19.03.2021, that such approval was granted after following the due process prescribed under applicable planning regulations and guidelines.

(7) Whereas with respect to the encroachment allegations, the respondent denied stating that the land in question is private property, and no portion of Government land, including Survey No. 432. All constructions within the layout are being undertaken independently by respective individual plot owners, each of whom has obtained valid building permissions from the competent municipal authority. There is no single developer or promoter involved in executing a collective housing project. Consequently, as each construction pertains to individual plots of less than 500 square meters and involves fewer than 8 units, the same is exempt from RERA registration as per Section 3(2)(a) of the RE(R&D) Act, 2016.

(8) The Respondent further submitted that the original intention was not to sell the plots until the layout development was completed; however, due to unforeseen financial exigencies during the COVID-19 pandemic, a few plots were sold to known individuals. The respondent submitted that she has acted in good faith, in compliance with municipal laws, and without any *malafide* intent to violate the provisions of the RE(R&D) Act, 2016. In view of the foregoing,

the Respondent prayed before this Authority that the complaint be dismissed as devoid of merit and that liberty be granted to rectify any procedural oversight, if so required, in consultation with the Authority.

(9) However, the respondent herein, during the course of the hearing held before this Authority dated 12.05.2025, admitted that she has violated Section 3 of the RE(R&D) Act, 2016, as not registering the project. The Respondent has also submitted that such omission was not deliberate but arose from a bona fide misunderstanding of the legal provisions, particularly in relation to the nature and scope of the development. The Respondent has further expressed willingness to take immediate corrective measures to ensure compliance with the provisions of the RE(R&D) Act, 2016.

Observations of the Authority:

(10) This Authority views and clarifies that the complaint relating to unauthorized use or encroachment of Government or Bhoodan lands falls outside the scope of the jurisdiction of the Real Estate Regulatory Authority. Determination of title, classification of land as Government or private, and questions of encroachment are within the scope of the competent Planning and Development Authority. This Authority does not possess jurisdiction to adjudicate upon such matters, nor can it undertake verification of title or legality of land use beyond what is statutorily prescribed under the RE(R&D) framework.

(11) The respondent takes defence on the fact that they are engaging in the construction of the individual villas, which is why section(3) of the RE(R&D) Act, 2016, is not applicable to the project. This authority relies on the draft layout plan obtained by the respondent. This brings our attention to section 2(zn) of the RE(R&D) Act,2016. The Section 2(zn) of the RE(R&D) Act,2016 reads as follows:

"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 apartment, 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 appurtenances belonging thereto

(12) The aforementioned section evidently specifies that any development of land into plots is to be considered as a real estate project. The said land measures 25792.77 square meters and comprises 88 plots, which exceeds the statutory threshold. Section 3 of the RE(R&D) Act, 2016 read as:

—(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:

(13) Therefore, reading section 2 (zn) and section 3 makes it evident that the said project very well falls under the ambit of section 3 and shall have been registered. The Authority acknowledges the fact that the respondent admitted its violation and further expressed readiness to rectify the lapse by taking steps to regularize the project in compliance with the RE(R&D) Act, 2016. However, Authority opines that the individual construction of promoter/respondent seems to be a deliberate attempt to circumvent the mandatory requirement under the RE(R&D) Act, 2016. It is essential to emphasize the settled principle of law encapsulated in the maxim "*ignorantia juris non excusat*", which means ignorance of the law is not an excuse. The respondent cannot evade liability on the grounds of unawareness of the statutory requirements under the RE(R&D) Act, 2016. Every promoter is presumed to know and comply with the applicable legal provisions.

(15) This authority views that the respondent is liable for penalty under Sections 59 and 60 of the RE(R&D) Act, 2016.

Directions of the Authority:

(16) 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, this Authority hereby issues the following directions:

- a) For violation of Sections 3 and 4 i.e., for non-registration of the project the Respondent is liable for penalty under Sections 59 and 60 respectively, therefore, the Respondent is directed to pay penalty of Rs.11,77,646 (Rupees Eleven Lakhs and Seventy Seven Thousand and six hundred and forty six) payable 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 Respondent-promoter shall not 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 without registering the concerned project.
- c) The Respondent shall initiate steps to register the concerned project within 10 days from the date of the order, duly obtaining approval and sanction from the planning authority and the development control authority concerned.

(17) The Respondent 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.

The logo of TG RERA (Tamil Nadu Real Estate Regulatory Authority) is displayed in the background. It features a stylized house icon with two human figures inside, one in pink and one in blue. To the right of the icon, the text 'TG RERA' is written in large, bold, pink capital letters. Below this, in smaller pink capital letters, is the text 'TAMIL NADU REAL ESTATE REGULATORY AUTHORITY'.

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
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