BEFORE THE TAMIL NADU REAL ESTATE APPELLATE TRIBUNAL (TNREAT)

(Tamil Nadu, Puducherry, Andaman & Nicobar Islands)

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

Reserved on: 23.09.2026

Delivered on: 30.09.2026

Coram : Hon'ble Mr.Justice M.Duraiswamy, Chairperson
Mr.K.Babu, Judicial Member

Appeal No.102 of 2026
and
M.A.No.248 of 2026

M/s.Pearl Beach
Proprietor Haji.Dr.S.Mohamed Aslam ... Appellant

Vs.

1. Pearl Beach Plot Owners Welfare Association
   rep. by its Secretary
   Pushpavalli Suresh Babhu

2. Pearl Beach Promoters Pvt. Ltd.,
   Rep. by its Director

3. Mohamed Aslam Rafeeka
   Director of Pearl Beach Promoters Pvt. Ltd.

4. Mohamed Idris
   Director of Pearl Beach Promoters Pvt. Ltd.

5. Aslam Abdul Hadhi
   Director of Pearl Beach Promoters Pvt. Ltd.

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6. Faizal Ashraf Mohammad
Director of Pearl Beach Promoters Pvt. Ltd. ... Respondents

(Respondents 2 to 6 are formal parties. Hence given up)

Appeal has been filed under Section 44 of the Real Estate (Regulation and Development) Act, 2016 to allow the appeal and set aside the order dated 15.06.2026 passed in C.No.119 of 2023 on the file of the Tamil Nadu Real Estate Regulatory Authority and to dismiss the complaint with exemplary cost.

For Appellant : Mr.Ganesh V Aranala

ORDER

Challenging the order passed in C.No.119 of 2023 dated 15.06.2026 on the file of the Tamil Nadu Real Estate Regulatory Authority, the promoter has filed the above appeal.

2. The brief case of the complainant is as follows:

(i) The case of the complainant is that they are the Welfare Association named as "Pearl Beach Plot Owners Association" which was formed by the Flat owners, who purchased the Flats in the respondents' layout project "Pearl Beach" situated at No.120, Paramankeni Village, Cheyyur Taluk, Chengalpattu District.

(ii) According to the complainant, the layout was originally approved by Paramankeni Panchayat on 11.12.2009. The complainant Association consists of 122 members/Plot owners and the Association is registered under the Tamil Nadu Societies Registration Act vide Registration No.122/2018 on 08.11.2018. The

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complainant Association took over the maintenance of all common areas and amenities from April 2019 onwards, except the Club House, which was illegally retained by the respondents.

(iii) The Club House was constructed by the respondents as per the promise made to the buyers of the Plots of "Pearl Beach" at the time of marketing and sale of the Plots that the Club House will be constructed in common areas notified in the approved plan between Plot Nos.188 and 189. Even on the date of filing of complaint, in the official website of the respondents, the Club House and common swimming pool are mentioned as amenities under the project. However, the respondents had not handed over the Club House to the Association despite their repeated request and communication.

(iv) Even in the brochure, the respondents had categorically mentioned that the "Pearl Beach" is a gated community consisting of well designed 40 feet wide road made up of paver block, well designed block wall for each plot with gate, U.G. cabling for each plots, decorative street lamps, common Club House, common swimming pool, Avenue trees, granite benches for leisure and landscaped gardens. The Panchayat approval obtained by the promoters for the layout clearly earmarks the Club House portion as common area. The Club House, which is built in the common area, exists from the inception of the layout and it was one of the amenities which lured the Plot owners to buy the plot. However, the respondents have taken a contrary stand that the Club House is built on a land which does not belong to the

members of the Association, which is not correct. The Club House was constructed in the common area as per the approved layout and like the other amenities, the same could also be utilized by the complainant Association. The claim of the promoter that the members of the Association did not have right in the Club House, is factually and ethically not correct.

(v) Further, the land on which the Club House is built is common for all the Plot owners and it is for the usage and benefit of all the Plot owners. The respondents have been collecting the charges from outsiders for the usage of the Club House, which is illegal, but also playing fraud upon the innocent and bonafide purchaser of the Plots. As per the Panchayat approval, the entire layout consists of 202 Plots and the respondents have not provided the details of the Plot Owners, who are not the members of the Association. There are still some unsold plots in the project and the respondents are selling those plots without obtaining necessary approval from TNRERA.

(vi) The project area exceeds 500 sq. meters and necessarily it has to be registered with the TNRERA and till date, the project has not been registered by the respondents. Furthermore, the respondents have conveniently and cunningly obtained approval from the DTCP, Chengalpattu on 16.11.2017 for a few number of Plots and not the entire layout. The DTCP approval was obtained after the RERA Act came into force on 01.05.2017, which clearly indicates the project would fall under the ambit of the RERA Act and registration of the project under RERA is mandatory. The

complainant Association sent a letter on 19.08.2020 requesting the promoter Company to hand over the Club House to the Association from 01.10.2020. The respondents sent a reply on 29.08.2020 stating that they will not hand over the Club House and is being maintained by them and is used solely on the basis of monthly subscription and further had stated that the complainant Association is not the owner of the Club House. The complainant Association sent a reply to the legal notice on 06.10.2020 stating that upon formation of the Association, the respondents no longer hold any right over the common areas. It is the statutory obligation of the promoter to hand over the possession of the common areas to the Association and also to hand over the title document relating to the layout to the Association under Section 17 of the RERA Act.

(vii) The respondents, in their reply dated 18.11.2020, had asserted that the respondent is the owner of the Club House and they offered the Club House facility to the Plot owners of the gated community and also outsiders who are willing to pay subscription to the members of the Club House. The Club House had been illegally misappropriated by the respondent. The complainant Association has further claimed that the revenue generated from the Club House should be utilized for the benefit of the Plot owners.

(viii) The respondents have refused to hand over the Title Deed of the common areas to the Association. They have stated that the conveyance of common areas will

be executed only after the sale of the last Plot, which caused difficulties in obtaining statutory rights such as electricity connection for street lights, etc.

(ix) The respondents, through their sister concern in the name of M/s.Shanitha Hotel Private Ltd., had developed a layout named 'Ocean Front', which is adjacent to 'Pearl Beach' layout, which is being marketed stating that access to the 'Ocean Front' layout is through the inner road of 'Pearl Beach' layout. 'Ocean Front' layout project is not registered with the TNRERA. The respondents, claiming themselves to be the Partnership Firm, sold the part of the layout plots in agricultural land Survey No.300/2, New Survey No.300/47A1 even after the dissolution of the Partnership Firm. The respondent fraudulently executed the Sale Deed in the name of the Partnership Firm. For the past two months, the respondents were interfering with the maintenance and administration of the common areas such as road, street light, etc. Regarding the same, police complaint had been lodged by the complainant Association for the act of the respondents in damaging the road and common areas. The respondents were indulging in activities of cheating the Government and also the Plot owners. Inspite of the efforts made by the complainant, the respondents did not come forward to hand over the Club House, hence, the present complaint was filed by the complainant Association praying for the following reliefs:

(a) to direct the respondents to register the layout 'Pearl Beach' under the Real Estate Regulatory Authority Act.
(b) to direct the respondents to hand over the club house in Pearl Beach project to the complainant.

(c) to direct the respondents to submit true and complete accounts of the club house for the Financial Year 2019-2020 to till date.
(d) to direct the respondent to hand over all the original title deeds of Pearl Beach project to association.
(e) to direct the respondents to furnish the details of purchasers of Plots sold by the respondents and the complete details of plot numbers unsold in the 'Pearl Beach'.
(f) to direct the respondents to pay profits earned by him from the club house facility in pearl beach project to complainant.
(g) to direct the respondents to execute deed of conveyance of all the common areas including the Club House in the "Pearl Beach" at No.120, Paramankeni Village, Cheyyur Taluk, Chengalpattu District - 603 305.

3. The brief case of the promoter is as follows:

(i) The 6th respondent/promoter is the erstwhile partner of 'M/s.Pearl Beach' a Partnership Firm, which was formed on 12.02.2007 consisting of 3 partners, namely, T.Ramesh, K.Akbar Ali and S.Mohamed Aslam to carry out real estate business. The said Partnership Firm promoted and developed a layout project under the name and style of 'Pearl Beach' at No.32, Fifth Cross Street, Mandavelipakkam, Chennai - 600 028. The said Partnership Firm was reconstituted by a Deed of Reconstituted Partnership dated 23.04.2007. Subsequently, Supplementary Deeds were executed on 17.10.2007 and 31.03.2012, incorporating altered terms.

(ii) The preliminary objection raised by the respondent is that the complaint is not maintainable before the Authority, since, the layout was approved by the Paramankeni Village Panchayat vide Resolution No.55 dated 11.12.2009 under the District Panchayat Act, 1994. The Panchayat had duly exercised its jurisdiction and

approved the layout under the then prevailing Rules and Regulations. Therefore, the complainant is precluded from maintaining this complaint before the TNRERA.

(iii) Further, all the Plots in the layout were sold prior to the commencement of the RERA Act and the possession was also handed over to the respective purchasers. Subsequently, the Partnership Firm was dissolved by a Deed of Dissolution dated 12.01.2017 well before the enactment of the RERA Act. Therefore, the 'Pearl Beach' layout project does not fall within the purview of the Act.

(iv) After the dissolution of the Partnership Firm, the business was wounded up and the 6th respondent started a new business under his sole proprietorship. Therefore, the role of sole proprietor is to provide services to the individual buyers in the layout, including maintenance of the Club House, which now belongs to the sole proprietor. Therefore, the sole proprietor has nothing to do with the formation of the layout and its business is distinct from that of the erstwhile Partnership Firm.

(v) The Club House was constructed by the Partnership Firm and now it belongs to the sole proprietor. The individual Plot buyers cannot claim the Club House as common area, infact, the larger extent of land shown as Schedule-'A' property in the Sale Deed of the individual buyers did not contain the Survey Numbers in which the Club House is built. Therefore, the Plot buyers can use the Club House for recreational purposes only and not as owners of the facility. The promoters have spent a huge sum of money to construct the Club House and swimming pool out of their own sources and they did not collect any amount from the individual Plot

buyers. Further, the revenue collected from the Club House is far less than the expenditure to maintain the same.

(vi)The erstwhile promoters never applied for any approval from DTCP as averred in the complaint and the alleged approval was obtained by a group of individual Plot buyers on their own accord. According to the promoters, after the dissolution of the Partnership Firm, the capital accounts of the partners were settled, and the remaining unsold Plots were allotted to the individual partners, hence, the promoters have no role to deal with the unsold Plots. The Title Deeds cannot be handed over at present, as there are certain unsold Plots in the possession of the individual partners, who were the erstwhile partners of the Partnership Firm. The roads in the layout were designed for connecting Phase-II. Both Phase-I and Phase-II were approved and the respective roads were handed over to the local authorities, therefore, there is no illegality in promoting the adjacent layout with the road in the 'Pearl Beach' layout for the use of connectivity.

(vii) It is not correct that the layout Plots in Survey Nos.300/2 and 300/47A1 were sold by Dr.Mohamed Aslam in the capacity of Power of Attorney No.386/2008. It is not under-valued and the entire Stamp Duty was paid. The 'Pearl Beach' layout is a private layout, which was duly approved by the President Paramankeni Village Panchyat and it does not come under the provisions of Town and Country Planning Act 1971. As per G.O.Ms No.78, Housing and Urban Development Department, dated 04.05.2017, any layout developed without prior approval of the Directorate of Town

and Country Planning, is deemed to be an unapproved layout and the same has to be regularized by the DTCP. Furthermore, the Plots in any unapproved layout sold prior to 20.10.2016, it is not mandatory to reserve any area, except a minimum area required for constructing EB transformer and OHT purpose. The complainant has come up with false case with baseless and bald allegations, hence the complaint is liable to be dismissed.

4. The averments in the counter filed by the 3rd respondent in the complaint which was adopted by the other respondents 1, 2, 4 & 5 are as follows:

The 3rd respondent Mohamed Idris is one of the Directors of 'Pearl Beach Promoters Limited', a Company incorporated under the provisions of Companies Act, 1956. The other respondents 1,2, 4 & 5 in the complaint are no way connected with the complainant Association and the 6th respondent. There is no Agreement of Transaction made between the parties, hence, they are not necessary parties to the complaint. The 'Pearl Beach' layout was promoted by the Managing Partner Dr.Ramesh and not by the 1st respondent Company. The complainant Association has impleaded the respondents 1 to 5 in the complaint with a motive to harass and tarnish their reputation. The respondents 1 to 5 in the complaint cannot provide any relief sought for by the complainant Association in the present complaint. The respondents 1 to 5 are not necessary parties to the proceeding and their names are to be deleted from the complaint, hence, there is no merit in the complaint and is liable to be dismissed.

5. The TNRERA, considering the evidence produced on either side, dismissed the claim of the complainant Association with respect to handing over of the Club House and allowed the prayer to direct the respondents to register the project 'Pearl Beach' with the TNRERA on or before 31.07.2026 and also directed them to hand over all the original Title Deeds and to execute the conveyance of all the common areas to the Association. Aggrieved by the relief granted in favour of the complainant Association, the promoter has filed the present appeal.

6. According to the learned appearing for the appellant, the order passed by the TNRERA directing the appellant to register the project 'Pearl Beach' with the TNRERA is not correct. The TNRERA failed to consider the fact that formation of the layout 'Pearl Beach' which was approved on 11.12.2009, do not prescribe the issuance of Completion Certificate. The TNRERA failed to consider that all the Plots developed under the layout were sold before the commencement of the RERA Act. Moreover, the TNRERA erred in holding that project is an "Ongoing Project" and also failed to see that no Sale Deed was executed in the name of 'Pearl Beach', a Partnership Firm after the commencement of the RERA Act. The TNRERA failed to see that the Partnership Firm 'Pearl Beach' constituted exclusively for the formation of the layout 'Pearl Beach' was dissolved by the Deed of Dissolution dated 12.01.2017 itself. As the purpose for its formation was fulfilled and no further activities were carried out by the promoters, the project is not liable to be registered with the TNRERA and the provisions of the RERA Act is not applicable to the subject project.

7. To consider whether the project 'Pearl Beach' is an ongoing project; whether the said project is to be registered under the TNRERA and whether the finding of the TNRERA is correct, it is relevant to consider the definition of the 'Ongoing Project" as stated in Section 2(h)(i) of the Tamil Nadu Real Estate (Regulation and Development) Rules, 2017, which reads as follows:

> "...
> 2(h) "Ongoing project" means, a project where development is going on and for which completion certificate has not been issued but excludes such projects which fulfill any of the following criteria on the date of coming into force of sub-section (1) of section 3 of the Act:-
> (i) in layout projects i.e., where land is developed into plots, the roads and open spaces gifted to the local body concerned;
> ..."

8. The lands comprised in various Survey Numbers were developed into Plots and the roads and open spaces in various Survey Numbers were gifted to the local body vide separate Gift Deeds dated 14.12.2017 and 25.07.2024. A perusal of the Gift Deeds would show that the said Gift Deeds were executed by Dr.S.Mohamed Aslam as owner of the 'Pearl Beach' Company in favour of the Paramankeni Panchayat.

9. A perusal of the Gift Deeds dated 14.12.2017 and 25.07.2024 said to have been executed in favour of the Paramankeni Panchayat would show that all the Gift Deeds were executed and the lands were gifted to the local body after the RERA Act came into force.

10. Further, a perusal of the Sale Deed dated 20.01.2021 said to have been executed by Dr.Mohamed Aslam in the capacity of Power of Attorney would show that

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the appellant in the capacity of Managing Partner of the "Pearl Beach Partnership Firm" had executed the Sale Deed and had sold the Plots in Survey No.300/2 and New Survey No.300/47A1. When the appellant claimed that the Partnership Firm was dissolved on 12.01.2017 and has been running the same as a sole proprietorship concern, the Sale Deed dated 20.01.2021 would make it clear that the said document was executed by the Partnership Firm and not as a sole proprietorship concern. Dr.Mohamed Aslam executed the said Sale Deed as the Power Agent of the Partnership Firm. Admittedly, the said Sale Deed was executed after the RERA Act came into force. The learned counsel appearing for the promoter contended that the "Pearl Beach" project was approved in the year 2009 and after the formation of the layout, the plots were sold, however, no further activities were carried out by the promoter, hence, the project need not be registered with the TNRERA and the provisions of the RERA Act is not applicable to the project. Since the Sale Deed was executed only on 20.01.2021 by the Partnership Firm, the contention raised by the learned counsel for the promoter cannot be accepted. The Gift Deeds executed on 14.12.2017 and 25.07.2024 and also the Sale Deed dated 20.01.2021 executed by the Pearl Beach Partnership Firm would establish that the project is an ongoing project and the same has to be registered under the provisions of the RERA Act. The TNRERA has rightly come to the conclusion that the project "Pearl Beach" falls within the purview of the RERA Act and it has to be registered with the TNRERA.

11. According to the learned counsel appearing for the appellant, subsequent to the dissolution of the Partnership Firm, the capital accounts of the partners were settled and the remaining unsold plots were allotted to the individual partners, hence, the Title Deeds cannot be handed over at present as there are certain unsold plots in the possession of the individuals, who were erstwhile partners of the Firm. The complainant Association was formed and registered vide Serial No.122/2018 under Tamil Nadu Societies Registration Act, 1975 in the year 2018. Section 17 of the RERA Act reads as follows:

> "Section 17:
> (1) The promoter shall execute a registered conveyance deed in favour of the allottee along with the undivided proportionate title in the common areas to the association of the allottees or the competent authority, as the case may be, and hand over the physical possession of the plot, apartment of building, as the case may be, to the allottees and the common areas to the association of the allottees or the competent authority, as the case may be, in a real estate project, and the other title documents pertaining thereto within specified period as per sanctioned plans as provided under the local laws:
> Provided that, in the absence of any local law, conveyance deed in favour of the allottee or the association of the allottees or the competent authority, as the case may be, under this section shall be carried out by the promoter within three months from date of issue of occupancy certificate.
> (2) After obtaining the occupancy certificate and handing over physical possession to the allottees in terms of sub-section (1), it shall be the responsibility of the promoter to handover the necessary documents and plans, including common areas, to the association of the allottees or the competent authority, as the case may be, as per the local laws:
> Provided that, in the absence of any local law, the promoter shall handover the necessary documents and plans, including common areas, the association of the allottees or the competent

authority, as the case may be, within thirty days after obtaining the [completion] certificate."

As per the aforesaid provisions of the RERA Act, the appellant/promoter shall hand over all the original Title Deeds and execute the conveyance of all the common areas to the Association. But inspite of the same, the appellant failed to hand over the original Title Deeds and execute the conveyance of all common areas to the Association which is not in accordance with law as rightly held by the TNRERA. The TNRERA, after considering all the circumstances, rightly came to the conclusion and directed the appellant/promoter to register the project with TNRERA. The order passed by TNRERA is just and proper.

12. In view of the above discussions, we do not find any merit in the appeal and the same is liable to dismissed. Accordingly, the appeal is dismissed. The connected Miscellaneous Application is closed.

Sd/- xxxx
JUSTICE M.DURAISWAMY
CHAIRPERSON
30.09.2026

Sd/- xxxx
K.BABU
JUDICIAL MEMBER
30.09.2026

Copy to

1. The TNRERA
2. Pearl Beach Plot Owners Welfare Association
   rep. by its Secretary,
   Pushpavalli Suresh Babhu
   No.120, Paramankeni Village,
   Cheyyur Taluk,
   Kanchipuram District - 603 305.