

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**THURSDAY, THE SECOND DAY OF JULY
TWO THOUSAND AND TWENTY SIX**

PRESENT

**THE HONOURABLE THE CHIEF JUSTICE APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN**

WRIT APPEAL NO: 479 OF 2026

Writ Appeal under clause 15 of the Letters Patent Appeal preferred against the order dated 31/10/2025 passed in W.P.No.3934 of 2013 on the file of the High Court.

Between:

1. The Hyderabad Metropolitan Development Authority (HMDA), Rep. By its Commissioner/Vice Chairman HUDA Complex, Tarnaka, Hyderabad. Now at Swarna Jayanti Complex, Ameerpet, Hyderabad.
2. The Government of Telangana, (Previously Government of A.P) MA and UDA Department, Rep. by its Principal Secretary, Secretariat, Hyderabad.
3. Hyderabad Airport Development Authority, (now Functional Agency of HMDA), Rep. By its Commissioner/Vice Chairman HUDA Complex, Tarnaka, Hyderabad. Now at Swarna Jayanti Complex, Ameerpet, Hyderabad.

...APPELLANTS /RESPONDENTS

AND

1. Sri Manorupa Meadows Pvt. Ltd., Rep. by its Managing Director, M. Ramesh Babu, S/o. Late M. Gandaiah, Aged about 52 years, Registered Office at Shop No.22, 23, RBVRR Hostel Shopping Complex, Tilak Road, Abids, Hyderabad.
2. M. Ramesh Babu, S/o. Late M. Gandaiah, Aged about 52 years, Occ- Managing Director of the 1st respondent, Shop No.23, RBVRR Hostel Shopping Complex, Abids, Hyderabad.

...RESPONDENTS /WRIT PETITIONERS

I.A. NO: 2 OF 2026

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to Suspend the operation of the order dated 31.10.2025 passed in W.P. No. 3934 of 2013 pending disposal of the Writ Appeal.

**Counsel for the Appellants: SRI V. SIDDHARTHA GOUD, REPRESENTING Q
SRI. V NARASIMHA GOUD(SC FOR HMDA)**

**Counsel for the Respondents: SRI DAMA SESHADRI NAIDU, REPRESENTING
SRI RAJAGOPALLAVAN TAYI**

The Court Delivered the following: JUDGMENT

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN
WRIT APPEAL No.479 of 2026
DATE: 02.07.2026**

Between:

The Hyderabad Metropolitan Development Authority (HMDA)
Rep. by its Commissioner/Vice Chairman,
HUDA Complex, Tarnaka, Hyderabad and 2 others.

....Appellants

And

Sri Manorupa Meadows Pvt. Ltd. and another

....Respondents

JUDGMENT

(Per Hon'ble Sri Justice G.M.Mohiuddin)

Heard Sri V.Siddhartha Goud, learned counsel representing Sri V.Narasimha Goud, learned Standing Counsel for the appellants; Sri Dama Seshadri Naidu, learned Senior Counsel representing Sri Rajagopallavan Tayi, learned counsel for the respondents and perused the record.

2. This writ appeal, preferred under Clause 15 of the Letters Patent, assails the order dated 31.10.2025 passed by the learned Single Judge in W.P.No.3934 of 2013. By the said order, the learned Single Judge allowed the writ petition filed by the respondents herein (writ petitioners), thereby setting aside the rejection orders dated 22.11.2012 passed by the appellant No.1 and directed the appellant

to consider the respondents' case (release of land) under G.O.Ms.No.527, dated 31.07.2008.

Factual matrix (in brief)

3. The 1st respondent is a Company incorporated under the provisions of the Companies Act. The respondent is engaged in the business of real estate development and conversion of land into residential layouts and plotted development. The 1st respondent Company as a part of its business intended to develop into a layout the land admeasuring Ac.15.18 Gts situated in Sy.Nos.28(P), 29(P), 30(P) and 31(P) of Chintapallyguda Village, Ibrahimpatnam Mandal, Ranga Reddy District.

4. On 13.10.2006, the respondents submitted an application before the erstwhile Hyderabad Airport Development Authority (HADA) seeking approval of a residential layout in the aforesaid land. Upon scrutiny of the application and the accompanying plans, HADA sanctioned and released a tentative draft layout *vide* Layout Permit No.6/Layout/HADA/2007, dated 12.06.2007, in File No.12175/Layout/HADA/2006, for an extent of 60,083.28 Sq. Mts. (approximately Ac.14.85 cents). The said approval was granted in accordance with the draft regulations then in force, pending finalization and notification of the comprehensive Master Plan and Development Regulations governing the HADA area.

5. As per the terms of planning norms and regulations applicable at the time of grant of the draft layout permission, the respondents were required to earmark and surrender specified portions of the layout area for public purposes. Accordingly, the respondents set+ apart an extent of 3,632 Sq. Yds. towards HADA area (5% of the developable land) and a further extent of 3,657 Sq. Yds. towards EWS/LIG housing (5% of the developable land). The said extents were voluntarily conveyed and transferred in favour of HADA through a registered Gift Deed bearing Document No.6591 of 2007, dated 31.05.2007, whereupon the said lands stood vested absolutely in the planning authority free from all encumbrances.

6. The approved layout consisted of 118 residential plots apart from the areas reserved for roads, parks, open spaces and other amenities. The extents earmarked towards HADA area and EWS/LIG housing formed part of the statutory layout requirements prevailing at the relevant point of time.

7. Thereafter, the Government of Andhra Pradesh finalized and notified the Master Plan and Development Promotion Regulations applicable to the HADA area *vide* G.O.Ms.No.287, Municipal Administration and Urban Development (I-1) Department, dated 03.04.2008. The said Government Order (G.O.) constituted the final regulatory framework governing development activities within the HADA jurisdiction.

8. Subsequently, the Government issued G.O.Ms.No.527, Municipal Administration and Urban Development (MA & UD) (I-1) Department, dated 31.07.2008, whereby Regulations 30 and 36 of G.O.Ms.No.287 were substituted. Among other things, substituted Regulation 30(b) provided that while 5% of the developable area was to be given to HADA free of cost towards capitalization for Master Plan facilities, the owner/developer was conferred an option to pay 1.5 times the basic value of such land to HUDA/HADA in lieu of surrendering the said extent. Substituted Regulation 30(b) & (c) reads as follows:

(b) From the developable area, 5% of area is to be given to Hyderabad Airport Development Authority free of cost for capitalization towards provision of Master Plan facilities. This condition is applicable only to sites located outside Greater Hyderabad Municipal Corporation limits. The owner/developer has the option of paying 1.5 times the basic value of such land to Hyderabad Urban Development Authority/Hyderabad Airport Development Authority in lieu of such land to be given to Hyderabad Airport Development Authority.

(c) Atleast 5% of the developable land to be developed within the site for Economically Weaker Section of Society (EWS) housing facility with maximum plot size of 50 sq m, and at least 5% for Lower Income Group housing facility with maximum plot size of 100 sq m. The developer can also opt for developing only EWS plots in lieu of LIG Housing.

9. Placing reliance upon the aforesaid substituted regulations, the respondents addressed several representations to the competent authorities during the years 2011 and 2012 requesting permission to avail the option contemplated under G.O.Ms.No.527, dated 31.07.2008. The respondents sought permission to pay 1.5 times

the market/basic value in lieu of the 5% HADA area already surrendered and further sought permission to develop the land earmarked for EWS/LIG housing on their own, in accordance with the modified regulatory framework.

10. The said request was examined by the Government and the Hyderabad Metropolitan Development Authority (HMDA). However, by Letter No.17840/11/2010-3, dated 07.11.2012, issued by the Principal Secretary to Government, MA & UD Department, and the consequential proceedings in Letter No.12175/Layout/HADA/HMDA/ 2006, dated 22.11.2012, issued by HMDA, the respondents' request came to be rejected. The authorities specifically held that the tentative draft layout permission had been granted on 12.06.2007, i.e., prior to the issuance of G.O.Ms.No.527 dated 31.07.2008 implicitly holding that the benefit of the said G.O was not available to layouts sanctioned before the issuance of the G.O.Ms.No.527 dated 31.07.2008.

11. Aggrieved by the aforesaid proceedings dated 07.11.2012 and 22.11.2012, the respondents instituted W.P.No.3934 of 2013 before this Court seeking, *inter alia*, a declaration that the rejection orders were arbitrary and contrary to G.O.Ms.No.527 dated 31.07.2008 and for a consequential direction to the respondents to sanction the benefits contemplated therein.

12. The learned Single Judge, by order dated 31.10.2025, allowed W.P.No.3934 of 2013. The learned Single Judge held that G.O.Ms.No.527 dated 31.07.2008 was clarificatory/explanatory in nature and that the substitution effected therein was retrospective in operation. Consequently, the rejection proceedings dated 07.11.2012 and 22.11.2012 were set aside and the appellants were directed to consider the respondents' case in terms of G.O.Ms.No.527 dated 31.07.2008, subject to the conditions stipulated therein.

Submissions on behalf of the appellants

13. Sri V. Siddhartha Goud, learned counsel appearing for Sri V.Narasimha Goud, learned Standing Counsel for the appellants, assailed the impugned order and has advanced the following submissions:

- i) That G.O.Ms.No.527, dated 31.07.2008, being a piece of subordinate legislation whereby Regulations 30 and 36 were substituted, operates only prospectively unless a contrary intention is clearly expressed. The layout in question was granted tentative approval on 12.06.2007 and the requisite Gift Deed conveying the HADA and EWS/LIG areas was executed on 31.05.2007, both events having occurred much prior to the issuance of G.O.Ms.No.527. Thus, the rights and obligations of the parties stood crystallized under the regulatory regime prevailing on the date of approval and surrender of land was

completed. A subsequent amendment cannot be invoked to reopen or unsettle a transaction that had already attained finality.

- ii) That G.O.Ms.No.527 constitutes subordinate legislation framed under the Andhra Pradesh Urban Areas (Development) Act, 1975. Neither the parent enactment nor the rule-making power contained therein authorises the making of regulations with retrospective effect. In the absence of an express enabling provision in the parent Act, the substituted Regulations could operate only prospectively. Consequently, G.O.Ms.No.527 could not be applied to a layout sanctioned prior to its issuance. In support of the said contention, reliance was placed on ***Mahabir Vegetable Oils (P) Ltd. v. State of Haryana***¹.
- iii) Insofar as the finding of the learned Single Judge treating G.O.Ms.No.527 as clarificatory in nature is concerned, it is contended that the recitals contained in the G.O itself indicate that the provisions relating to social housing introduced under G.O.Ms.No.287 constituted a "new initiative" and that numerous representations had been received from builders, developers and representatives of commerce and industry seeking reconsideration of the said stipulations on the ground

¹ (2006) 3 SCC 620

that they adversely affected the viability of development projects.

- iv) That the said G.O. further records that the Government had taken into account the prevailing slump in the real estate sector before effecting the amendment. The recitals therein clearly establish that the amendment was introduced as a matter of policy to address industry concerns and economic realities. Such a substantive policy change cannot be construed as clarificatory or explanatory of the existing provisions. Significantly, the G.O.Ms.No.527 contains no deeming provision, express stipulation, or necessary implication suggesting that the amendment was intended to operate retrospectively.
- v) That upon execution and registration of Gift Deed No.6591 of 2007, the land earmarked towards HADA area and EWS/LIG housing vested absolutely in the planning authority, whereupon the respondents ceased to have any right, title or interest therein. The surrendered land formed part of the statutory planning framework and stood earmarked for public purposes in accordance with the applicable development regulations. A subsequent policy change cannot divest the authority of vested rights or entitle the respondents to reclaim the land or seek modification of the conditions governing the

layout approval. Having voluntarily executed and acted upon the Gift Deed, the respondents are estopped from resiling from its consequences.

- vi) That the layout was granted final approval on 07.03.2011 after due verification and compliance with all statutory requirements. The respondents accepted the approval subject to the conditions imposed therein and proceeded to act upon the same by undertaking developmental activities, laying infrastructure and alienating plots in favour of third-party purchasers. Having accepted the benefits flowing from the final approval and having altered their position accordingly, the respondents cannot now seek to reopen concluded conditions by invoking a subsequent G.O.
- vii) That while substitution results in replacement of the earlier provision, the substituted provision ordinarily operates from the date of amendment unless expressly or by necessary implication made retrospective. It cannot apply to transactions and events concluded prior thereto. In the present case, Regulation 30(b) & (c), as substituted by G.O.Ms.No.527, for the first time introduced an option permitting payment of 1.5 times the basic value in lieu of surrender of land and to develop the land earmarked for EWS/LIG by the developer, an option unavailable under the earlier regime. The amendment

thus created a substantive right and cannot be construed as a mere clarification of the existing provision.

- viii) That the directions issued by the learned Single Judge are liable to affect the rights and interests of numerous purchasers who acquired plots in the approved layout and were not impleaded as parties to the writ proceedings. Any modification of the conditions relating to land surrendered towards HADA area or EWS/LIG housing would necessarily impact the planning framework, infrastructure facilities and overall layout configuration, thereby prejudicing the rights of such purchasers.
- ix) That acceptance of the respondents' claim would have far-reaching ramifications beyond the present case. Numerous layouts were approved under the earlier regulatory regime pursuant to which developers surrendered land in compliance with the applicable conditions. Extension of the benefit of G.O.Ms.No.527 with retrospective effect would enable similarly situated developers to seek reopening of concluded approvals and completed transactions, thereby creating uncertainty in the administration of planning laws, disturbing settled rights and undermining the certainty and finality that underpin the statutory planning framework.

- x) That the Government, by proceedings dated 07.11.2012, and HMDA, by consequential proceedings dated 22.11.2012, had categorically rejected the respondents' request on the ground that G.O.Ms.No.527 was inapplicable to layouts approved prior to its issuance. The said proceedings had attained finality and remained operative and binding. In the absence of any finding of illegality, perversity or arbitrariness, the learned Single Judge ought not to have interfered therewith.
- xi) That the respondents cannot invoke the Doctrine of Legitimate Expectation, which presupposes the existence of a representation, promise or established practice giving rise to an expectation capable of protection in law. No such representation or promise was ever made by the authorities. Having accepted the applicable regulatory conditions and voluntarily conveyed the requisite extent of land through a registered Gift Deed, the respondents acquired no vested right to claim the benefit of a subsequent amendment and cannot seek application of G.O.Ms.No.527 on the basis of legitimate expectation.

Submissions on behalf of private respondents

14. Sri Dama Seshadri Naidu, learned Senior Counsel representing learned counsel respondents has supported the impugned order and has advanced the following submissions:

- i) That the impugned order is a well-reasoned order passed by the learned Single Judge in exercise of jurisdiction under Article 226 of the Constitution of India. Interference in an intra-Court appeal is warranted only where the findings recorded are shown to be perverse, contrary to the material on record, or vitiated by a manifest error of law. It was contended that none of the grounds urged by the appellants disclose any such infirmity warranting interference by this Court.
- ii) That the substitution of Regulation 30 by G.O.Ms.No.527, dated 31.07.2008, was clarificatory and declaratory in nature and, therefore, retrospective in operation. Reliance was placed upon the decisions of the Hon'ble Supreme Court in **Zile Singh v. State of Haryana**² and **Sree Sankaracharya University of Sanskrit v. Dr. Manu**³, wherein it was held that a clarificatory amendment ordinarily relates back to the date of the original provision. It was submitted that the amendment was intended to remove hardships faced by developers and to clarify the position obtaining under the earlier Regulations. Consequently, the benefit of the substituted provision ought to be extended retrospectively.
- iii) That G.O.Ms.No.527 constitutes a beneficial measure intended to alleviate the difficulties faced by developers under the earlier

² (2004) 8 SCC 1

³ (2023) 19 SCC 30

regulatory regime. Being a beneficial provision, it deserves a liberal construction so as to advance its object and purpose. It was argued that the amendment does not take away any vested right of the planning authority but merely confers an additional option upon developers to pay the prescribed amount in lieu of surrendering land. Since the respondents were compelled to surrender land under the earlier Regulations, the beneficial option introduced by G.O.Ms.No.527 ought to be made available to them as well.

- iv) That the permission granted on 12.06.2007 was merely a tentative draft layout approval and not a final layout sanction. Consequently, no vested or crystallized rights had accrued as on the date of issuance of G.O.Ms.No.527. The final layout approval was granted only on 07.03.2011, by which time the substituted Regulations had already come into force. It is contended that the rights and obligations of the parties must be governed by the Regulations prevailing on the date of final approval and not by those in force at the stage of tentative approval.
- v) That substitution of a statutory provision results in repeal of the earlier provision and its replacement by a new provision. Consequently, the substituted Regulation 30 alone occupied the field from the date of substitution. Since the final layout

approval was granted after G.O.Ms.No.527 came into force, the respondents could not be governed by the earlier Regulation, which had ceased to exist. The substituted Regulation alone governed the rights of the parties.

- vi) That in respect of other layout, namely L.P. No.1/HADA/2009, the authorities had released the HADA area and EWS/LIG area and extended the benefit of the amended provisions. Denial of similar treatment to the respondents amounts to hostile discrimination and is violative of Article 14 of the Constitution of India. The respondents were entitled to parity of treatment with similarly situated developers.
- vii) That the respondents were ready and willing to pay 1.5 times the market value/basic value of the land, as contemplated under G.O.Ms.No.527, in lieu of surrendering the same. It was argued that no prejudice would thereby be caused to the planning authority. On the contrary, the authority would derive monetary benefit by receiving an amount equivalent to 1.5 times the value of the land. The respondents were not seeking any gratuitous concession but only the benefit, expressly conferred by the amended Regulation.
- viii) That the respondents had a legitimate expectation that the benefit of G.O.Ms.No.527 would be extended to them. The amendment having been introduced with the avowed object of

granting relief to developers, and the respondents having submitted several representations seeking such benefit, they were entitled to fair and non-arbitrary consideration of their request in accordance with the amended provisions.

- ix) That the land in question was not being utilized for any existing public purpose and continued to remain vacant. No prejudice would therefore be caused either to the planning authority or to any third party if the respondents were permitted to develop the land in accordance with the amended Regulations. It was further submitted that the respondents were willing to undertake development of the EWS/LIG component themselves, which would continue to advance the public purpose underlying the regulatory scheme.
- x) That the appellants themselves had admitted in their counter affidavit filed before the learned Single Judge that although the layout had been approved and was ready for release, the final layout had not in fact been released owing to certain pending compliances. The respondents had also consistently asserted that the final layout approval process remained pending. Consequently, the matter had not attained finality as on the date of issuance of G.O.Ms.No.527 and, therefore, the respondents' request remained a live and subsisting issue

capable of being considered under the amended regulatory framework.

- xi) That the appellants cannot be permitted to advance, for the first time in appeal, a case contrary to their own pleadings before the learned Single Judge. It was submitted that the contention regarding grant of final approval and implementation of the layout was neither substantiated before the learned Single Judge nor supported by the contemporaneous record. A party cannot be allowed to approbate and reprobate or to set up a new and inconsistent case at the appellate stage.
- xii) That the impugned order does not adjudicate upon or extinguish any rights of third parties. The learned Single Judge merely directed reconsideration of the respondents' request under the amended Regulations. The competent authority remains at liberty to impose appropriate conditions while undertaking such reconsideration. Consequently, the plea regarding non-impleadment of plot purchasers is misconceived.
- xiii) That the learned Single Judge did not grant the substantive relief sought by the respondents, but merely examined the legality of the reason assigned by the authorities for rejecting their request. Having found the rejection to be unsustainable

in law, the matter was remitted for fresh consideration. The impugned order therefore falls squarely within the permissible limits of judicial review and does not amount to substitution of the administrative decision.

xiv) In addition to the aforesaid, the respondents, in support of their case, have further placed reliance upon the following decisions:

- a. Government of India v. Indian Tobacco Association⁴ in paragraphs 25, 28, and 29.
- b. Pernod Ricard India Pvt Ltd. v. State of Madhya Pradesh⁵ in paragraphs 18, 19, 20 to 23, 33, 38 to 40.

15. We have taken note of the respective submissions urged and the material placed on record.

Consideration by this Court

16. The principal issue that arises for consideration in the present appeal is whether G.O.Ms.No.527, Municipal Administration and Urban Development Department, dated 31.07.2008, whereby Regulations 30 and 36 of G.O.Ms.No.287, dated 03.04.2008, came to be substituted, is clarificatory/declaratory in nature so as to warrant retrospective application, or whether it constitutes a substantive amendment operating prospectively ?

⁴ AIR 2005 SC 3685

⁵ (2024) 8 SCC 742

17. The respondents have placed considerable reliance upon the settled principle that a clarificatory or declaratory amendment ordinarily operates retrospectively. There can be no quarrel with the proposition that where an amendment is intended merely to explain the law as it always stood, remove ambiguity, clear doubts or cure an obvious omission, such amendment may be construed as retrospective in operation. However, it is an equally well settled principle that before such consequence can follow, the Court must be satisfied that the amendment is truly clarificatory in character and does not alter substantive rights, obligations or legal consequences flowing from the pre-existing provision.

18. A clarificatory amendment is generally enacted to remove doubts regarding the meaning, scope or effect of an existing provision. It does not introduce a new scheme, create fresh rights, confer additional benefits or substitute one policy choice for another. Conversely, where an amendment is brought about as a matter of legislative or executive policy and introduces rights, obligations or options that were previously unavailable, the amendment is ordinarily regarded as substantive and prospective in operation unless the statute expressly or by necessary implication provides otherwise.

19. It is, therefore, necessary to examine the nature, scope and effect of G.O.Ms.No.527 in the context of the aforesaid principles governing retrospective operation of amendments:

I. The Preamble to the Amending Order:

It is apposite to extract the relevant portion of G.O.Ms.No.527, for ready reference:

"Government in G.O.Ms.No.287, MA&UD (11) Dept, dated: 03-04-2008 among other things, introduced social housing in the residential layouts and Group Housing, etc. This new initiative was in accordance with the commitment of the State Government under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) reforms. The National Housing Policy, 2007 also emphasizes the need for achieving social mix in all new housing projects under both public and private sectors. To address the need for shelter of economically weaker section and low income group, the above stipulations were made. Such social mix stipulations are already there in different forms in Delhi, Karnataka, Haryana, Maharashtra, Tamilnadu and Gujarat.

2. Large number of representations have been received from builders, developers and representatives of commerce and industry requesting Govt. to reconsider the above stipulations, since the said stipulations would adversely affect their industry and make their projects unviable. In writ petition No.14897 of 2008, filed in Hon'ble High Court challenging the social housing provisions in G.O.287, the Hon'ble High Court issued direction to the Government to treat the affidavit of the petitioner as representation and consider the objections filed in the writ petition and the grievances of the builders and developers."

A careful reading of the preamble to G.O.Ms.No.527 leaves little room for doubt as to the nature of the amendment. The Government itself records therein that the provisions relating to social housing incorporated under G.O.Ms.No.287 constituted a "new initiative". The

preamble further discloses that a large number of representations had been received from builders, developers and representatives of commerce and industry seeking reconsideration of the said stipulations on the ground that they adversely affected the viability of development projects. Significantly, the Government also took into consideration the prevailing slump in the real estate sector before effecting the amendment.

These recitals are of considerable significance in ascertaining the legislative intent underlying the amendment. They do not indicate the existence of any ambiguity, uncertainty or drafting omission in the earlier Regulations requiring clarification. Nor do they suggest that the amendment was introduced to explain the true meaning of the pre-existing provision. On the contrary, the recitals demonstrate that the Government consciously revisited the policy embodied in G.O.Ms.No.287 and, upon consideration of representations received from stakeholders and the prevailing economic conditions, decided to relax certain regulatory requirements.

The amendment thus represents a deliberate shift in policy and a re-balancing of competing developmental considerations. An amendment brought about for such reasons cannot be characterised as merely clarificatory or declaratory in nature. Rather, it constitutes a substantive modification of the existing regulatory framework. In the absence of any express provision, deeming fiction or necessary

implication indicating retrospective operation, the amendment cannot be construed as affecting rights and obligations that had already accrued under the unamended regime.

The Hon'ble Supreme Court in **Commissioner of Income Tax v. Vatika Township Pvt Ltd**⁶ while reiterating the view taken in **Govinddas v. Income Tax Officer**⁷ has held that:

11. Now it is a well settled rule of interpretation hallowed by time and sanctified by judicial decisions that, unless the terms of a statute expressly so provide or necessarily require it, retrospective operation should not be given to a statute so as to take away or impair an existing right or create a new obligation or impose a new liability otherwise than as regards matters of procedure. The general rule as stated by Halsbury in Vol. 36 of the Laws of England (3rd Edn.) and reiterated in several decisions of this Court as well as English courts is that all statutes other than those which are merely declaratory or which relate only to matters of procedure or of evidence are prima facie prospectively and retrospective operation should not be given to a statute so as to affect, alter or destroy an existing right or create a new liability or obligation unless that effect cannot be avoided without doing violence to the language of the enactment. If the enactment is expressed in language which is fairly capable of either interpretation, it ought to be construed as prospective only.

(Emphasis supplied)

II. Absence of Language Indicative of Retrospective Operation

Another circumstance that merits consideration is the language employed in G.O.Ms.No.527. It is well settled that where a legislative or subordinate legislative instrument is intended to operate retrospectively, such intention is ordinarily manifested either

⁶ (2015) 1 SCC 1

⁷ (1976) 1 SCC 906

through express words or by necessary implication. Declaratory or clarificatory provisions frequently employ deeming expressions indicating that the law shall be understood as having always stood in a particular manner.

G.O.Ms.No.527 contains no such language. The Government Order merely provides for substitution of the existing Regulations and does not contain any deeming fiction, express stipulation or other indication suggesting that the amended provisions were intended to govern transactions or events that had already occurred.

Although the absence of an express provision conferring retrospective operation may not, by itself, be determinative, it nevertheless constitutes a relevant indicator of legislative intent. If the Government had intended the substituted Regulations to govern concluded transactions or to affect rights and obligations that had already accrued under the existing regime, it could reasonably have been expected to employ language manifesting such intention, either expressly or by necessary implication. The absence of any such indication lends support to the view that the amendment was intended to operate prospectively.

III. Substantive Alteration of Rights and Obligations

The nature of the amendment is further evident from the substantive changes brought about by the substituted Regulation 30(b) & (c). Under the regulatory regime obtaining prior to G.O.Ms.No.527, the

developer was mandatorily required to surrender 5% of the developable area free of cost towards capitalization for provision of Master Plan facilities. By virtue of the amendment, an altogether new option was introduced enabling the developer, in lieu of such surrender, to pay an amount equivalent to 1.5 times the basic value of the land, which did not exist under the earlier regime. Similarly, Regulation 30(c) imposed an independent obligation requiring the developer to earmark at least 5% of the developable land within the site for Economically Weaker Section (EWS) housing with a maximum plot size of 50 Sq m and at least 5% for Lower Income Group (LIG) housing with a maximum plot size of 100 Sq m, while also permitting the developer to develop only EWS plots in lieu of LIG housing. This obligation too did not exist under the earlier regulatory framework and constitutes a substantive addition to the conditions governing development. The said amendment does not merely clarify the existing provision but introduces a new option previously unavailable to the developer, thereby altering the substantive rights and obligations of the parties. A provision producing such consequences cannot ordinarily be characterised as clarificatory in nature.

As noticed by the Hon'ble Supreme Court in **Zile Singh** (supra 2), the presumption against retrospectivity assumes particular relevance where the amendment affects vested rights, impairs existing obligations or alters legal consequences that have already ensued.

Tested on the aforesaid principles, the substituted Regulation 30(b) bears all the *indicia* of a substantive amendment and cannot be construed as merely clarificatory or declaratory.

IV. The Amendment was Prompted by Prevailing Economic Conditions

The recitals contained in G.O.Ms.No.527 specifically refer to the 'slump in the real estate sector' as one of the factors that weighed with the Government while effecting the amendment, which demonstrates that the Government revisited the existing regulatory framework in light of changing market realities and stakeholder concerns, and thereafter introduced a modified regime.

An amendment brought about in response to such economic and policy considerations cannot readily be regarded as one intended merely to explain the meaning of the existing provision. Rather, it reflects a conscious policy choice designed to govern the regulatory framework thereafter. The recitals, therefore, lend further support to the conclusion that G.O.Ms.No.527 constituted a substantive amendment and not a clarificatory measure.

20. It is the contention of the respondents that once Regulation 30 was substituted by G.O.Ms.No.527, the earlier provision stood repealed and replaced, and consequently the substituted provision must govern the present case. While it is true that substitution ordinarily results in the replacement of the existing provision by a new one, the question whether such substitution operates

retrospectively or prospectively depends upon the intention underlying the amendment, to be gathered from its language, object and scheme.

21. The Hon'ble Supreme Court in **Zile Singh's** case (supra 2) has held as under:

"Substitution of a provision results in repeal of the earlier provision and its replacement by the new provision".

In this regard it is pertinent to note that substitution by itself does not necessarily imply retrospective operation. In the absence of express words or necessary implication indicating a contrary intention, a substituted provision which alters substantive rights and obligations ordinarily operates prospectively.

22. In the present case, neither the language of G.O.Ms.No.527 nor the circumstances leading to its issuance disclose any intention to reopen the concluded layout approvals or disturb rights and obligations that had already accrued under the existing regulatory framework. On the contrary, the recitals of the G.O. indicate that the amendment was introduced as a policy measure in response to representations received from stakeholders and the prevailing conditions in the real estate sector. Thus, a substitution cannot be equated with a clarification merely because of the form in which it is enacted. The substituted Regulations 30(b) & 30(c), for the first time, conferred substantive rights and obligations which did not exist

under the earlier regulatory regime. While substituted Regulation 30(b) conferred upon the developer an option to pay 1.5 times the basic value of the land in lieu of surrendering the prescribed extent, substituted Regulation 30(c) introduced a new obligation requiring that at least 5% of the developable land be developed for Economically Weaker Section (EWS) housing with a maximum plot size of 50 sq. m. and at least 5% for Lower Income Group (LIG) housing with a maximum plot size of 100 sq. m., with an option to develop only EWS plots in lieu of LIG housing. Since these rights and obligations were wholly absent under the earlier regime, the amendment materially altered the legal rights and liabilities of the parties and must, therefore, be regarded as a substantive amendment rather than a clarificatory measure.

23. Applying the aforesaid principles to the facts of the present case, it is evident that the tentative layout approval was granted on 12.06.2007 and the registered Gift Deed conveying the requisite extent of land was executed on 31.05.2007, both prior to the issuance of G.O.Ms.No.527 dated 31.07.2008. The rights and obligations of the parties had thus arisen under the regulatory framework then in force. Consequently, the substituted Regulation cannot be invoked to alter the legal consequences of transactions that had already been concluded and acted upon under the unamended regime.

24. It is a settled principle that every statute or subordinate legislative instrument is presumed to operate prospectively unless a contrary intention is expressed or arises by necessary implication. The presumption assumes greater significance where retrospective operation would have the effect of disturbing vested rights, impairing existing obligations or unsettling transactions that have already attained finality.

25. In the present case, the respondents executed and registered Gift Deed No.6591 of 2007 on 31.05.2007, whereby the land earmarked towards HADA area and EWS/LIG housing was conveyed in accordance with the then prevailing regulatory framework. The Gift Deed was acted upon and the surrender of land constituted an integral part of the layout approval process. Upon such conveyance, the respondents ceased to retain any subsisting right or interest in the surrendered land and the rights of the planning authority stood crystallized under the existing regime. Further, if G.O.Ms.No.527 were to be applied retrospectively, the consequence would be to alter the legal effects of a transaction that had already been completed and acted upon. Such an interpretation would necessarily affect rights that had accrued under the unamended Regulations and would unsettle a position that had attained finality prior to the issuance of the amendment.

26. It is to be noted that the respondents accepted the conditions subject to which the layout permission was granted and acted upon the same by executing the registered Gift Deed, developing the layout and availing the benefits flowing from the approval. Having voluntarily complied with the regulatory framework then in force and secured the corresponding benefits thereunder, the respondents cannot subsequently seek to reopen or alter the very conditions governing the approval on the basis of a later amendment.

27. The principles of election, acquiescence and approbation and reprobation are clearly attracted in the facts of the present case. A party cannot accept the benefits arising from a transaction and thereafter challenge the obligations forming an integral part thereof. The surrender of land pursuant to the Gift Deed constituted an essential component of the statutory scheme governing the layout approval. Having acted upon and acquiesced in the said arrangement, the respondents are precluded from invoking G.O.Ms.No.527 to unsettle obligations already discharged and rights that had accrued under the unamended regulatory regime.

28. It is to be noted that the layout was granted final approval on 07.03.2011 after due scrutiny under the applicable regulatory framework, and the respondents accepted and acted upon the regulatory framework governing the layout by executing the requisite Gift Deed and complying with the applicable planning conditions. In

these circumstances, the respondents cannot invoke the Doctrine of Legitimate Expectation, which necessarily presupposes the existence of a representation, promise or consistent course of conduct on the part of the authority giving rise to an expectation capable of protection in law. No such representation or assurance has been established in the present case. The planning authority acted strictly in accordance with the law as it stood at the relevant point of time, and the respondents acquired no vested right to claim the benefit of a subsequent amendment. Having voluntarily accepted and acted upon the applicable regulatory regime, the respondents cannot legitimately contend that G.O.Ms.No.527 ought to be extended to their case.

29. The respondents contented that, in the case of another layout bearing L.P. No.1/HADA/2009, the authorities had released the HADA area and EWS/LIG area and extended the benefit of the amended provisions. We are unable to accept the said contention. Apart from a bare assertion, no material has been placed on record to demonstrate that the facts, circumstances and regulatory conditions governing the said layout were identical to those obtaining in the present case. In the absence of such foundational facts, no claim of discrimination can be sustained.

30. Further, it is trite that Article 14 embodies a positive concept of equality and cannot be invoked to perpetuate an illegality or

irregularity. Even assuming that a benefit had been erroneously extended in another case, the same would not confer a right upon the respondents to claim similar treatment contrary to law.

31. It is a settled principle that subordinate legislation, including statutory regulations and G.O's issued in exercise of delegated legislative power, is ordinarily prospective in operation unless the parent statute expressly or by necessary implication authorises retrospective effect. A delegate exercising statutory power cannot ordinarily make subordinate legislation retrospective in the absence of such authority being traceable to the enabling enactment. In the present case, neither G.O.Ms.No.527 nor the Andhra Pradesh Urban Areas (Development) Act, 1975 has been shown to contain any provision authorising the retrospective operation of the substituted Regulations. Equally, nothing in the language, object or scheme of the amendment indicates an intention to affect rights and obligations that had already accrued under the pre-existing regulatory framework. In such circumstances, the normal presumption favouring prospective operation must prevail.

32. The aforesaid conclusion is further reinforced by the fact that the amendment introduced substantive changes in the regulatory regime, including the option to pay 1.5 times the basic value of the land in lieu of surrender thereof. In the absence of clear statutory authority or unmistakable legislative intent, such substantive

alterations cannot be construed as operating retrospectively so as to reopen concluded transactions or disturb accrued rights.

33. The decisions relied upon by the respondents are clearly distinguishable and inapplicable for the following reasons:

- i) In **Zile Singh** (supra 2) the Apex Court was concerned with the correction of an apparent drafting error in a statutory provision, where the amendment merely substituted an erroneous expression so as to bring the provision in conformity with the manifest legislative intent. The amendment was, therefore, treated as declaratory and curative in nature. In the present case, however, no drafting error, ambiguity, or omission has been demonstrated. On the contrary, the recitals of G.O.Ms.No.527 disclose that the amendment was introduced pursuant to representations from builders and developers and in view of the prevailing slump in the real estate sector, thereby evidencing a conscious policy decision to relax the existing regulatory framework. Moreover, **Zile Singh's** case (supra 2) itself recognizes that the presumption against retrospectivity applies where vested rights are affected. Since the land in question had already been conveyed and vested in HADA through a registered Gift Deed dated 31.05.2007, the principle laid down therein does not advance the respondents' case.

ii) In **Indian Tobacco Association** (supra 4), the Hon'ble Supreme Court held that the amendment to be retrospective as it merely rectified an obvious omission in the earlier notification and extended a benefit already contemplated under the existing policy. In the present case, G.O.Ms.No.527 does not supply a *casus omissus* or correct any drafting error or ambiguity. The recitals of the G.O. itself disclose that the amendment was introduced as a policy response to representations from developers and the prevailing slump in the real estate sector. The substituted Regulation 30(b) introduced, for the first time, an option to pay 1.5 times the basic value in lieu of surrender of land, thereby creating a substantive entitlement. Further, unlike in **Indian Tobacco Association's** case (supra 4), retrospective application of the amendment in the instant case would affect rights that had already vested in the planning authority pursuant to the registered Gift Deed dated 31.05.2007. The said decision, therefore, does not advance the case of the respondents.

iii) In **Pernod Ricard India (P) Ltd.** (supra 5) the Hon'ble Supreme Court examined the effect of substitution of a statutory provision; the Hon'ble Supreme Court also emphasized the distinction between plenary and subordinate legislation, observing that subordinate legislation operates within the limits of the authority conferred by the parent

enactment and, in the absence of statutory empowerment, ordinarily takes effect only from the date of its issuance. In the present case, G.O.Ms.No.527 constitutes subordinate legislation issued under the Andhra Pradesh Urban Areas (Development) Act, 1975, and no provision of the parent enactment has been shown conferring power upon the Government to give retrospective effect to such regulations. Far from supporting the case of the respondents, **Pernod Ricard's** case (supra 5) reinforces the settled principle that subordinate legislation is prospective unless retrospectivity is expressly or impliedly authorized by the enabling statute. The said decision, therefore, does not advance the case of the respondents.

34. At this juncture, it is relevant to note that the statutory regime governing layout approvals is founded upon the principles of certainty, predictability and administrative finality. Permissions granted under the planning laws are issued after due scrutiny and are acted upon not only by developers but also by purchasers and other stakeholders who regulate their affairs on the basis of the approved layout. In the present case, the respondents accepted the conditions governing the layout approval, executed the requisite Gift Deed and acted upon the regulatory framework then in force. To permit reopening of obligations already discharged and rights that had accrued thereunder solely on the basis of a subsequent amendment would introduce uncertainty into the planning process,

unsettle settled position and undermine the orderly administration of planning laws. Therefore, the principle of administrative finality furnishes an additional reason for holding that G.O.Ms.No.527 cannot be accorded retrospective operation.

Conclusion

35. For the foregoing reasons, this Court is of the considered view that the learned Single Judge erred in holding that G.O.Ms.No.527, dated 31.07.2008, is clarificatory in nature and consequently operates retrospectively, more particularly in the absence of any indication in the language, object or scheme of the amendment that it was intended to have such retrospective effect and consequently in setting aside the proceedings dated 07.11.2012 and 22.11.2012.

36. Accordingly, the Writ Appeal is allowed. The order dated 31.10.2025 passed in W.P.No.3934 of 2013 is set aside, and the writ petition stands dismissed.

As a sequel, miscellaneous petitions, pending if any, stand closed. No costs.

//TRUE COPY//

SD/- K. SRINIVASA RAO
JOINT REGISTRAR

SECTION OFFICER

One Fair Copy to the Hon'ble Sri Justice APARESH KUMAR SINGH
(For His Lordships kind perusal)

AND

One Fair Copy to the Hon'ble Sri Justice G.M.MOHIUDDIN
(For His Lordships kind perusal)

To,

1. The Commissioner/Vice Chairman HUDA Complex, Tarnaka, Hyderabad. Now at Swarna Jayanti Complex, The Hyderabad Metropolitan Development Authority (HMDA), Ameerpet, Hyderabad.
2. The Principal Secretary, The Government of Telangana, (Previously Government of A.P) MA and UDA Department, Secretariat, Hyderabad.

PTO

3. Commissioner/Vice Chairman HUDA Complex, Hyderabad Airport Development Authority, (now Functional Agency of HMDA), The Tarnaka, Hyderabad. Now at Swarna Jayanti Complex, Ameerpet, Hyderabad.
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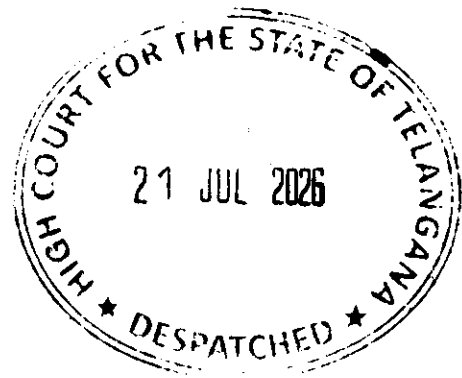
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HIGH COURT

DATED: 02/07/2026

JUDGMENT

WA.No.479 of 2026



**PARTLLY ALLOWING THE WRIT PETITION
WITHOUT COSTS**

(23) PMG
17/7/26