

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 259 of 2025

2nd April 2026

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

Cloudsan Infrastructure LLP

*(Rep .by its Authorised Signatory Mrs. Meghna Agarwal
D/o Raghu Raj, Aged about 53 years, Occ: Business,
Corporate office at: Villa No. 1046, Krinss Villa,
Nanakramguda, Rangareddy Telangana – 500089)*

... Complainant

Versus

M/s. Atluri Developers Private Limited

*(Represented by its Managing Director Atluri Sreecharan
S/o Atluri Balaprasad, Aged About 42 years,
Occ: Business, Plot No 1-2-524/3/C/105,
Sagar View Complex Liberty,
Domalguda, Hyderabad, Telangana – 500029)*

... Respondent

The present matter filed by the Complainant came up for hearing before this Authority in the presence of the learned counsel for the Complainant, Smt. Aruna Kumari, and the learned counsel for the Respondent, Sri. Drupad Sawgan. Upon pursuing the material available on record, hearing the submissions advanced by both parties, and the matter having been reserved for consideration, the following Order is passed:

ORDER

2. The present Complaint has been filed by the Complainants under Section 31 of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as the “RE (R&D) Act”) read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the “TG RE (R&D) Rules”) seeking appropriate relief(s) as against the Respondent in accordance with law.

A. Brief facts of the case:

3. The Complainant respectfully submits that the Respondent Company is a private limited company registered under the Companies Act, 1956. The Respondent is engaged in the real estate business. The Respondent Company entered into a registered DAGPA dated 14.02.2020 bearing Document No. 2792/2020 with the landowners, in respect of land admeasuring 4140 square yards (3680 square yards after road widening) in Plot No. 1-118/1/B/E/1 in Survey No. 13, situated at Kondapur Village, Serilingampally Mandal, Ranga Reddy District, for the purpose of construction of a multi-storied commercial complex named “ATLURI ASCEND”.

4. As per the terms of the DAGPA, the Respondent Company was obligated to obtain building approval from GHMC, secure all necessary statutory approvals, and complete construction of the Project with all approved amenities and facilities, in consideration of a 40% share in the built-up area. In partial discharge of these obligations, the Respondent Company obtained initial building plan approval vide Permit No. 1/C20/07312/2020 dated 07.07.2020 for construction of 4 cellars, a stilt floor, and 3 upper floors. The Complainant further submits that the Respondent Company thereafter submitted revised proposals expanding the Project to 5 cellars, a ground floor, and 9 upper floors, and obtained a revised building permit bearing No. 4486/GHMC/SLP/2022-BP. As per the said revised permit, the Project comprises a net built-up area of 11,461.57 square meters (1,23,372.33 square feet) and a net parking area of 8,724.20 square meters (93,907.28 square feet) on a net land area of 3,021.24 square meters (3,613.40 square yards), being the extent remaining after deduction of land surrendered for road widening.

5. The Complainant submits that, pursuant to a Supplementary Agreement registered as Document No. 16421/2022 dated 24.09.2022, the Land Owners and the Respondent Company revised the sharing ratio of the built-up area and allocated 40% of the built-up area along with proportionate undivided share of land to the Land Owners (Land Owner’s Share) and 60% of the built-up area along with proportionate undivided share of land to the Respondent Company (Developer Share). The Complainant further submits that, under the said arrangement, the built-up area in the ground floor, first floor, eighth floor, and ninth floor was allocated to the Land Owners, while the second, third, fourth, fifth, sixth, and seventh floors were allocated to the Respondent Company.

6. The Complainant further stated that the Respondent Company, along with the Land Owners, offered to sell, and the Complainant agreed to purchase, commercial space on the seventh floor of the Project admeasuring a total built-up area of 15,026 square feet, comprising a prorated common area of 30% i.e., 4,507.80 square feet and a carpet area of 10,750.40 square feet, together with a proportionate undivided share of land admeasuring 334 square yards out of 4,104 square yards in Survey No. 13, situated at Kondapur Village, Serilingampally Mandal, under GHMC Serilingampally Circle, Rangareddy District, Telangana (hereinafter referred to as the “Subject Property” for a total consideration of Rs. 6,14,26,288/- under an Agreement to Sell dated 03.02.2021, on mutually agreed terms including completion timeline, handover, and delay compensation.

7. The Complainant submits that, as per Clause 2 of the Agreement to Sell, the Respondent Company unequivocally agreed to complete the construction of the Project within a period of 24 months from the date of GHMC approval, granted vide Permit No. 1/C20/07312/2020 dated 07.07.2020. The Complainant further submits that the Agreement also contemplated a grace period of 12 months, comprising a general extension of 6 months and an additional 6 months on account of the COVID-19 pandemic. Accordingly, the Respondent Company was contractually bound to hand over possession of the Subject Property to the Complainant in a fit-for-occupancy condition, together with the Completion Certificate, on or before 30.06.2023.

8. The Complainant submits that the Respondent Company executed a registered Sale Deed bearing Document No. 20426/2022 dated 08.12.2022 upon receipt of total consideration of Rs. 6,32,57,712/-, conveying ownership of the subject property along with specified parking spaces and undivided share of land. Despite receipt of full consideration, the Respondent Company failed to hand over possession of the subject property by 30.06.2023, resulting in delay from 01.07.2023 onwards. As per Clause 6 of the Agreement, the Respondent Company is liable to pay notional rent at Rs. 35/- per sq. ft. per month from 01.07.2023 till delivery of possession with completion certificate, which obligation remains unfulfilled.

9. Pursuant to the Agreement to Sell, the Respondent Company executed and registered a Sale Deed bearing Document No. 20426/2022 dated 08.12.2022 in favour of the Complainant in respect of the Subject Property, upon receipt of the total sale consideration of Rs. 6,32,57,712/-, and by virtue thereof, the Complainant acquired absolute ownership over the Subject Property situated on

the seventh floor, having a carpet area of 11,311 square feet, together with parking spaces comprising one in Basement 1, three in Basement 2, three in Basement 3, five in Basement 4, five in Basement 5, and one visitor parking, along with an undivided share of land admeasuring 309 square yards out of 3,613 square yards in Survey No. 13, Kondapur Village, Serilingampally Mandal, Rangareddy District.

10. The Complainant further submits that, notwithstanding receipt of the entire sale consideration, the Respondent Company failed to deliver possession of the Subject Property within the stipulated timeline, and there has been a continuing delay from 01.07.2023 upon expiry of the agreed grace period, thereby constituting a clear breach of contractual obligations to hand over the unit in a fit-for-occupancy condition along with the Completion Certificate.

11. Moreover, as per Clause 6 of the Agreement to Sell categorically provides that in the event of delay in handing over possession, the Respondent Company is liable to pay notional rent at the rate of Rs. 35/- per square foot per month commencing from 01.07.2023 until delivery of the unit, and despite such explicit stipulation, the Respondent Company has failed and neglected to make the said payments, thereby causing severe financial loss and hardship to the Complainant. The Respondent Company has further acted in violation of the agreed terms by unilaterally altering the built-up area and increasing the sale consideration between the Agreement to Sell and the execution of the Sale Deed, resulting in a reduced built-up area coupled with an enhanced financial burden, thereby causing grave legal and financial prejudice to the Complainant.

12. Accordingly, the Respondent Company, through its Executive Assistant Manager, issued an email dated 16.04.2024 stating that several additional amenities including LED signage, business centre, conference room, kids' crèche, medical room, kitchen, service staff dining, locker room, garbage chute, RO drinking water, staff/driver toilets, and laundry room were being incorporated into the Project, while expressly admitting that such amenities were not part of the original specifications and that the same would impact both the cost and timeline of the Project. Instead of completing the Project as per agreed terms, adopted a coercive approach by issuing a letter on stamp paper falsely stating that the Complainant had consented to revised building plans involving the addition of an "environment deck" and "two TDR floors" to the originally approved structure, and attempted to compel the Complainant to execute a no-objection declaration, which was unequivocally refused.

13. The Complainant further stated that the Respondent without prior intimation or consent, applied for approval of revised plans before GHMC vide application dated 12.07.2024, which resulted in a shortfall intimation dated 06.09.2024, and thereafter again sought consent from the Complainant vide email dated 16.09.2024, thereby demonstrating a clear attempt to circumvent statutory requirements through coercion. It also issued a detailed letter dated 20.09.2024 reiterating the binding terms of the Agreement to Sell and the registered Sale Deed, specifically highlighting the failure of the Respondent Company to deliver possession and to pay notional rent, while expressly refusing to grant consent for any revised plans, to which the Respondent Company responded vide letter dated 08.11.2024 with baseless and unsubstantiated claims regarding alleged revised timelines without any supporting material.

14. The Respondent unjustifiably relied upon the COVID-19 pandemic as a pretext for delay despite lapse of more than three years since lifting of restrictions, and has further issued arbitrary and illegal demands vide letters dated 06.01.2025 and 07.02.2025 seeking payment of Rs. 37,54,692/- towards corpus and maintenance, while unilaterally extending the possession date to 31.03.2025, and also issued an email dated 06.02.2025 demanding an additional sum of Rs. 1,75,21,896/- towards unapproved amenities.

15. The Respondent has delayed the Project by more than 550 days beyond the agreed timeline, and despite issuance of a legal notice demanding payment of notional rent and compensation, has failed to respond, thereby compelling the Complainant to incur substantial rental expenses for alternate premises, and that such conduct, including unilateral alterations, coercion, unlawful demands, and failure to deliver possession, constitutes a clear breach of contractual obligations and violation of statutory provisions including Section 14 of the Real Estate (Regulation and Development) Act, 2016, while reserving the right to file additional material in support of the present claim.

Relief(s) Sought:

16. Accordingly, the Complainant sought the following reliefs:

- a. To direct the Respondent Company to pay the notional rent that the Complainant is rightfully entitled to, from 01.07.2023 onwards on the total built up area of 15,497 sqft

amounting to Rs. 1,20,96,493 (Rupees One Crore Twenty Lakhs Ninety-Six Thousand Four Hundred and Ninety-Three), as per the Agreement;

- b. To impose a penalty on the Respondent for violating the provisions of the RE(R&D) Act, specifically for obtaining the revised building permission(s) without the mandatory consent of the flat owners and for unauthorized deviations from the sanctioned plan, in clear contravention of Section 14 of the RE(R&D) Act, 2016.

C. Counter filed by the Respondent:

17. The Respondent submits that all the averments in the Complaint are denied in toto, except those specifically admitted, and nothing shall be deemed admitted by non-traverse; the Complaint is misconceived, devoid of merit, and constitutes a misuse of process, the Complainant being guilty of suppression of material facts. The Respondent submits that the Company, incorporated in 2007, entered into a registered DAGPA dated 14.02.2020 bearing Document No. 2792/2020 for development of land admeasuring 4104 sq. yards in Survey No. 13, Kondapur Village, and obtained initial building permission dated 07.07.2020 for construction of 4 cellars, stilt, and 3 commercial floors, with authority to levy corpus and maintenance charges.

18. The Respondent submits that the Complainant entered into an Agreement of Sell dated 03.02.2021 for purchase of a seventh-floor commercial unit admeasuring 15,026 sq. ft. with proportionate undivided share of land for Rs. 6,14,26,288/-, which was subsequently superseded by a duly registered Sale Deed dated 08.12.2022 executed voluntarily by the Complainant without protest. The Sale Deed dated 08.12.2022, being the final and binding document, governs the relationship between the parties, wherein the Complainant was allotted property with revised land extent after road widening for a total consideration of Rs. 6,32,57,712/-, and all prior terms of the Agreement to Sell, including timelines and delay clauses, stand extinguished.

19. Moreover, it obtained a revised building permit dated 08.12.2022 permitting construction of 5 basements, ground floor, and 9 upper floors, valid till 08.12.2028, and secured RERA registration bearing No. P02400005519 dated 14.12.2022 valid till 30.06.2027, thereby being well within statutory timelines for completion and delivery of possession. The revised plans and additional amenities were introduced after obtaining consent of two-thirds of the allottees, and the Complainant was duly informed through emails and public notice but failed to object, thereby acquiescing and being estopped from challenging the same at this stage.

20. The Respondent submits that additional amenities including business facilities and support infrastructure were proposed in view of market conditions, and proportionate charges at Rs. 1,000/- per sq. ft. were sought; however, the Complainant failed to respond or participate despite multiple communications and opportunities.

21. The Respondent further stated that demands towards corpus fund and maintenance charges were raised strictly in accordance with the Sale Deed and DAGPA, and the Complainant did not deny liability but only disputed rates, thereby acknowledging the obligation to pay the same. Subsequent communications dated 06.02.2025, 12.02.2025, and 07.03.2025 were issued seeking payment of additional amenity charges, but the Complainant failed to comply and instead initiated the present complaint with baseless allegations.

22. The claim of delay is unfounded, as possession timelines must be governed by the Sale Deed, RERA registration, and revised building permit, and not the superseded Agreement to Sell, and the Respondent remains within permissible statutory timelines.

23. Accordingly, the claim for notional rent based on Clause 6 of the Agreement to Sell is legally untenable as the said clause does not exist in the registered Sale Deed, and the Complainant is estopped from relying on a superseded document. There has been no misrepresentation, coercion, or unilateral alteration of terms, and all revised plans and amenities were lawfully undertaken with requisite approvals and majority consent, with full disclosure to the Complainant.

24. The Respondent further submits that applications for revised permissions and subsequent shortfall intimations from GHMC are part of standard regulatory procedure and do not indicate any illegality or deficiency. The Complainant's allegations regarding coercion, delay, and unlawful demands are baseless, as all actions were undertaken in accordance with statutory provisions, contractual terms, and regulatory approvals. The claim for compensation or notional rent is not maintainable before this Authority, as such adjudication falls within the jurisdiction of the Adjudicating Officer under Section 71 of the Real Estate (Regulation and Development) Act, 2016.

25. The Complainant having failed to object to revised plans, accepted the Sale Deed, and acknowledged certain liabilities, is estopped from raising the present claims, which are belated and legally unsustainable. The Respondent further submits that all reliefs sought by the Complainant, including stay on construction, payment of notional rent, and imposition of penalty, are devoid of

merit, contrary to contractual and statutory provisions, and liable to be rejected. The revisions to the project were undertaken strictly in compliance with Section 14 of the Real Estate (Regulation and Development) Act, 2016, after obtaining requisite majority consent, and do not constitute any violation.

D. Rejoinder filed by the Complainant:

26. The complainant submitted that the averments relating to the particulars of the Respondent, its incorporation, representative capacity, Development Agreement-cum-General Power of Attorney with landowners, and initial building permissions are matters of record and do not warrant a detailed reply. However, any inference or insinuation sought to be drawn therefrom alleging default, misconduct, or wrongdoing on the part of the Complainant is emphatically denied. Such preliminary assertions cannot, in law or on facts, dilute the substantive rights of the Complainant or absolve the Respondent of its statutory and contractual obligations arising under the Real Estate (Regulation and Development) Act, 2016.

27. The allegations that the complaint is misconceived, devoid of merit, or amounts to abuse of process are wholly false, baseless, and untenable. The Respondent, being a Promoter/Developer within the meaning of the Act, is bound by strict statutory duties, and the present proceedings squarely arise from its non-compliance therewith. The Complainant has approached this Hon'ble Authority with bona fide intent, placing true and complete facts on record, and has not indulged in any suppression or misrepresentation. The reckless allegations of "suppressio veri and suggestio falsi" are denied in toto and are nothing but an attempt to deflect attention from the Respondent's own breaches and statutory violations, which remain the central issue for adjudication.

28. The Respondent has misstated the extent of undivided share of land. As per the Agreement for Sell, the UDS was 377 square yards, whereas the Respondent has incorrectly reduced it to 334 square yards. This unilateral deviation constitutes a clear breach of contractual terms. The misrepresentation of material particulars further reflects lack of transparency. Such conduct is contrary to both contractual obligations and statutory mandates.

29. The Complainant stated that the Respondent's assertion regarding "fresh terms" in the Sale Deed is incorrect. The Sale Deed was executed only as a conveyance instrument pursuant to the Agreement for Sell. The incorrect depiction of land area and allocation demonstrates inconsistency

in the Respondent's stand. The Complainant has never alleged coercion in execution but disputes misinterpretation of legal effect. Both documents must be read harmoniously as part of one composite transaction.

30. The Respondent has failed to comply with Section 13(2) of the Act by not executing the Agreement for Sell in the prescribed statutory format. The Respondent uploaded a compliant format before the Authority but executed a different agreement with the Complainant. This constitutes deliberate suppression and misrepresentation. Such conduct attracts penal consequences under the Act. The Respondent has thereby misled both the Complainant and the Authority.

31. Further, the alleged consent of two-thirds of allottees for revision of plans is unsubstantiated. No documentary evidence has been produced to support such claim. The GHMC shortfall notice itself records deficiency in obtaining requisite consent. Despite this, the Respondent proceeded with construction activities. This amounts to violation of statutory provisions and unauthorized development.

32. Accordingly, the Respondent's demand for additional charges towards amenities is illegal and unjustified. The Sale Deed clearly records that the total consideration includes all development costs and facilities. Having received full consideration, the Respondent cannot seek further amounts. Such conduct amounts to unjust enrichment. The demand is therefore contrary to contractual and statutory framework.

33. The demand for corpus fund and maintenance charges is premature and contrary to the Sale Deed. Such payments are contingent upon execution of a maintenance agreement and handover of possession. No such agreement has been executed to date. The Respondent cannot unilaterally demand payments in deviation of agreed procedure. The Complainant remains willing to comply strictly in accordance with contract. The Complainant stated that the allegations of default by the Complainant are false and denied. The demands raised by the Respondent for additional amenities lack contractual basis. The entire consideration has already been paid by the Complainant. The Respondent is attempting to shift focus from its own breaches. The Complaint is bona fide and not frivolous as alleged.

34. The preliminary objections raised by the Respondent are misconceived and untenable. The Respondent has suppressed material facts and distorted contractual interpretation. The averments in the Complaint are reiterated and form part of this rejoinder. The Respondent's defence lacks legal foundation. The same is liable to be rejected. The Sale Deed does not extinguish obligations under the Agreement for Sell. The Sale Deed merely evidences transfer of title. Contractual obligations relating to possession and timelines continue to subsist. The Respondent cannot evade liability by selective reliance on documents. Both instruments must be read conjointly.

35. It is submitted that statutory timelines under RERA or building permits do not override contractual commitments. The Respondent was bound to deliver possession within the agreed timeline. Failure to do so attracts liability for notional rent. Regulatory approvals do not dilute contractual obligations. The Respondent's defence is therefore untenable. The additional amenities were already contemplated within the project cost. The Respondent's demand for further payment amounts to double recovery. No proof of communication or consent has been furnished. Silence cannot be construed as consent under law. The Respondent has failed to comply with Section 14 of the RE(R&D) Act, requirements.

36. However, the repeated claims of obtaining consent are unsubstantiated. The Respondent has failed to produce any credible evidence. Mere assertions cannot substitute statutory compliance. The conduct reflects an attempt to mislead the Authority. Such claims deserve outright rejection.

37. The Complainant further stated that the Respondent's denial of notional rent liability is misconceived. The obligation arises from the Agreement for Sell and subsists notwithstanding execution of Sale Deed. The Respondent has failed to deliver possession within agreed time. The contractual clause remains enforceable. The claim is legally sustainable. The claim for notional rent arises from contractual enforcement. A separate proceeding for compensation has already been initiated before the Adjudicating Officer. The present relief is limited to enforcement of rights. Hence, the Authority has jurisdiction.

38. The Complainant submitted that the Respondent has violated statutory provisions and misrepresented facts. The claim of acting in accordance with law is incorrect. The Respondent's conduct demonstrates clear non-compliance. The Complainant's grievances are legitimate. The Respondent's defence is devoid of merit and the Complainant is not bound by arrangements between landowners and the Respondent. The claim is limited to enforcement of contractual

obligations. The Respondent has failed to establish lawful compliance with consent requirements. The primary issue remains delay and breach. The Respondent's diversions are irrelevant.

39. In view of the foregoing, it is respectfully prayed that the Respondent be held liable for breach of contractual and statutory obligations. The Respondent be directed to pay notional rent as agreed. Penalties under relevant provisions of the Act be imposed for violations. The unlawful demands and deviations be declared invalid.

E. Points for Consideration:

40. After hearing the submissions advanced by the learned counsel/parties on record, perusing the pleadings, documents, rejoinder and the detailed written arguments filed on behalf of the Complainant, this Authority is of the considered view that the following points arise for determination in the present Complaint:

I. Whether the Complainant is entitled to the reliefs as prayed for? Whether the Respondent has violated the provisions of the RE(R&D) Act, 2016?

F. Observations of the Authority

41. Upon careful consideration of the rival submissions, pleadings, documentary material placed on record, and the applicable statutory framework under the Real Estate (Regulation and Development) Act, 2016, this Authority proceeds to examine the reliefs sought by the Complainant, which are twofold:

- a. To direct the Respondent Company to pay the notional rent that the Complainant is rightfully entitled to, from 01.07.2023 onwards on the total built up area of 15,497 sqft amounting to Rs. 1,20,96,493 (Rupees One Crore Twenty Lakhs Ninety-Six Thousand Four Hundred and Ninety-Three), as per the Agreement;
- b. To impose a penalty on the Respondent for violating the provisions of the RE(R&D) Act, specifically for obtaining the revised building permission(s) without the mandatory consent of the flat owners and for unauthorized deviations from the sanctioned plan, in clear contravention of Section 14 of the RE(R&D) Act, 2016.

42. It is not in dispute that the Complainant and the Respondent entered into an Agreement for Sell dated 03.02.2021, which was subsequently followed by execution of a registered Sale Deed bearing Document No. 20426/2022 dated 08.12.2022 upon receipt of the entire sale consideration

of Rs. 6,32,57,712/-. It is further evident from the record that the Complainant alleges delay in handing over possession beyond the stipulated timeline and seeks enforcement of the contractual clause providing for payment of notional rent in the event of such delay. Per contra, the Respondent contends that upon execution of the registered Sale Deed, the Agreement for Sell stands superseded and that the timelines for completion and delivery are to be governed by the revised building permissions and the validity period of the RERA registration, which, according to the Respondent, are still subsisting and binding,

43. In this regard, this Authority takes note of Section 18(1) of the Real Estate (Regulation and Development) Act, 2016, which reads as follows:

1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building, —

(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or

(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason,

he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act:

44. The legislative scheme of the RE(R&D) Act, 2016 makes it manifest that any monetary claim sought on account of delay in delivery of possession, including claims styled as notional rent or loss of rental income, necessarily partakes the character of "compensation" as envisaged under the RE(R&D) Act, 2016. Such claims are distinct from and independent of any contractual stipulation, inasmuch as the statute itself confers a remedial right upon the allottee in the event of delay or failure to deliver possession.

45. It is an admitted position that the Complainant has already availed the appropriate statutory remedy by filing a separate application in Form 'N' before the Adjudicating Officer constituted under the RE(R&D) Act, 2016, specifically seeking compensation on account of the delay in delivery of possession. In view of such invocation of the designated remedy before the competent

forum, the proceedings in respect of the said claim are liable to be adjudicated exclusively by the Adjudicating Officer.

46. Having regard to the statutory mandate under Section 71 of the RE(R&D) Act, 2016, which vests the power to adjudicate compensation claims in the Adjudicating Officer, this Authority is of the considered opinion that the claim for notional rent cannot be examined in the present proceedings. Accordingly, the first relief sought by the Complainant shall stand relegated to and proceeded with before the Adjudicating Officer in the pending Form 'N' proceedings.

47. The second relief sought by the Complainant pertains to the alleged violation of Section 14 of the RE(R&D) Act, 2016, on the ground that the Respondent obtained revised building permissions without securing the prior written consent of at least two-thirds of the allottees as mandated thereunder.

48. Before proceeding to examine this contention, this Authority deems it necessary to advert to a foundational issue that emerges from the record, namely, the point of time at which the Agreement for Sell was entered into vis-à-vis the status of the project registration under the RE(R&D) Act, 2016.

49. It is an admitted position that the Agreement for Sell between the parties was executed on 03.02.2021, whereas the RERA registration of the project, bearing No. P02400005519, was obtained only on 14.12.2022. The initial building permit was granted vide Permit No. 1/C20/07312/2020 dated 07.07.2020, and the revised building permit bearing No. 4486/GHMC/SLP/2022-BP was granted on 08.12.2022. The booking of the Subject Property on the seventh floor and the execution of the Agreement for Sell were thus admittedly carried out prior to obtaining RERA registration for the Project.

50. Section 3 of the RE(R&D) Act, 2016 mandates that 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. The transaction entered into between the parties on 03.02.2021 constitutes a booking and sale of a commercial unit prior to the registration of the project, which falls squarely within the ambit of the prohibition under Section 3 of the RE(R&D) Act, 2016. Such conduct on the part of the Respondent Promoter

prima facie constitutes a violation of Section 3 of the RE(R&D) Act, 2016 and is liable to attract penal consequences under Section 59 of the said RE(R&D) Act.

52. Therefore, while this Authority records prima facie finding that the act of the Respondent Promoter in booking and executing the Agreement for Sell dated 03.02.2021, prior to obtaining registration under the RE(R&D) Act, constitutes a violation of Section 3 of the RE(R&D) Act, 2016, it refrains from imposing any penalty in the present proceedings. Nevertheless, having regard to the statutory mandate and the material available on record, this Authority deems it appropriate to direct the Secretary, Telangana Real Estate Regulatory Authority, to examine the said violation and initiate appropriate suo motu proceedings.

53. Turning now to the specific grievance under Section 14 of the RE(R&D) Act, 2016, it is the Complainant's contention that the Respondent applied for and pursued revision of the sanctioned building plans without obtaining the prior written consent of two-thirds of the allottees as required under Section 14(2)(ii) of the RE(R&D) Act, 2016.

54. It is, however, crucial to note that the RERA registration bearing No. P02400005519 was obtained by the Respondent on 14.12.2022, and the revised building permit bearing No. 4486/GHMC/SLP/2022-BP was also granted on 08.12.2022, both of which predate the RERA registration. The registered project itself was submitted with and is predicated upon the revised building plan comprising 5 cellars, ground floor, and 9 upper floors. In other words, at the time the project was registered under the RE(R&D) Act, 2016, the revised sanctioned plan was already the approved plan forming the basis of registration. The project as registered with TG RERA is, therefore, the project as per the revised permit and not the originally approved plan.

55. Section 14(2)(ii) of the RE(R&D) Act, 2016 mandates that a promoter shall not make any other alterations or additions in the sanctioned plans, layout plans, and specifications of the buildings or the common areas within the project without the previous written consent of at least two-thirds of the allottees. The trigger for the consent requirement under Section 14(2)(ii) is any alteration or addition made to the sanctioned plan after the project is registered under the RE(R&D) Act, 2016. Since the revision from the initial permit to the revised building permit bearing No. 4486/GHMC/SLP/2022-BP was already incorporated into and forms the very basis of the RERA registration of the project, the said revision cannot be assailed as an unauthorized alteration

requiring consent under Section 14(2)(ii). The sanctioned plan as existing at the time of RERA registration constitutes the baseline plan for the purposes of the RE(R&D) Act, 2016.

Directions of the Authority:

56. In view of the foregoing observations and findings, this Authority passes the following directions:

- a) The relief sought by the Complainant for payment of notional rent is hereby relegated to the Adjudicating Officer, where the proceedings in Form 'N' are already pending, to be adjudicated in accordance with law;
- b) The Secretary, Telangana Real Estate Regulatory Authority, is hereby directed to examine the prima facie violation of Section 3 of the RE(R&D) Act, 2016 as recorded hereinabove and initiate appropriate suo motu proceedings, in accordance with RE(R&D) Act.
- c) The Respondent Promoter is directed to strictly adhere to the provisions of Section 14(2)(ii) of the RE(R&D) Act, 2016 in respect of any future alterations or additions to the sanctioned plans;

57. With the above observations and directions, the present Complaint stands disposed of. No order as to costs.

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