BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY
[Under the Real Estate (Regulation and Development) Act, 2016]

SUO MOTU CASE NO. 39/2026
Date: 10th November 2026

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

Smt Vulli Latha W/o Venkateswarlu,
H.No.11-13-80, Road No-2, Alakapuri Colony,
SRK Puram, Ranga Reddy District-500102. ***…PROMOTER/ RESPONDENT***

ORDER

The present Suo Motu proceedings have been initiated by the Telangana Real Estate Regulatory Authority (hereinafter referred to as "the Authority"), in exercise of the powers conferred under Section 35(1) of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the RE(R&D) Act, 2016"), pursuant to the proceedings in Complaint No. 432 of 2025 filed by Sri Nama Sarath Babu against Smt. Vulli Latha, in respect of the alleged contravention of Sections 3 and 4 of the RE(R&D) Act, 2016, concerning a layout situated at Gurralapadu Village, Khammam District.

2. On 13.08.2025, while considering Complaint No. 432 of 2025, this Authority ordered the issuance of a Show Cause Notice to the Respondent-Promoter, Smt. Vulli Latha, for the alleged violation of Sections 3 and 4 of the RE(R&D) Act, 2016, and also directed the issuance of an appropriate fresh notice to the Respondent. The complainant was directed to take out the notice and Show Cause Notice, serve the same upon the Respondent, and file proof of service. Subsequently, vide order dated 22.06.2026, Complaint No. 432 of 2025 was dismissed for non-prosecution. However, this Authority expressly clarified that the dismissal of the complaint would not, in any manner, affect or prejudice the proceedings initiated for the alleged violations of Sections 3 and 4 of the RE(R&D) Act, 2016, and directed the Secretary, TG RERA, to take further appropriate action in accordance with law.

3. Pursuant to the aforesaid directions, a Show Cause Notice dated 04.07.2026 was issued to the Respondent-Promoter, Smt. Vulli Latha, W/o Venkateswarlu, in respect of the project situated at Gurralapadu Village, Khammam District, calling upon her to submit an explanation as to why action should not be initiated for the alleged contravention of Sections 3 and 4 of the RE(R&D) Act, 2016. The proceedings arose from the allegations raised by the complainant

that the layout had been approved by SUDA, Khammam, vide Proceeding No. TLP No. 232358/LP/GP/202408/0010/2022, dated 10.01.2023, and that the Respondent had failed to develop the layout by providing the requisite facilities as promised at the time of sale.

4. The complainant, Sri Nama Sarath Babu, submitted that he had purchased Plot Nos. 1, 2, 3, 8, 9 and 10 in the said layout through registered sale deeds bearing Document Nos. 625/2023, 624/2023, 621/2023, 623/2023, 622/2023 and 627/2023, all dated 04.02.2023. It was alleged that, at the time of purchase, the Promoter had undertaken to develop the plots and provide the requisite facilities in accordance with SUDA, Khammam norms within three months from the date of registration of the plots. However, according to the complainant, the stipulated period had elapsed without completion of the development works, and the layout continued to remain undeveloped despite repeated requests made to the Promoter.

5. In response to the Show Cause Notice, the Respondent submitted that she had applied online for registration of the project under Application No. REA00107704, in the name of "GR Nagar", on 10.03.2026, and had paid an amount of ₹78,701.15 towards registration charges. On the basis of the aforesaid application and payment, the Respondent requested that further proceedings initiated by this Authority be dropped.

6. Upon verification of the records available with this Authority, it was observed that the registration application filed by the Respondent remained incomplete. During scrutiny, Desk-2 (DC & ED) raised deficiencies relating to the annual audit reports for the immediately preceding three years, the registration certificate of the firm/company, bank account details, the latest Encumbrance Certificate, a revised Form B incorporating the extended date of completion duly obtained from the local body, the digitally signed layout plan, and the work completion certificate. The aforesaid deficiencies remained uncompiled, as per the records available with this Authority. Consequently, the filing of the registration application and payment of registration charges did not establish that the project had been duly registered in accordance with the provisions of the RE(R&D) Act, 2016.

7. The matter was thereafter placed before this Authority for consideration of the further course of action under the provisions of the RE(R&D) Act, 2016. The Respondent, through her learned counsel, appeared before this Authority on 30.09.2026 and reiterated the same oral

arguments as submitted in her reply. The Respondent relied upon the filing of the registration application and payment of registration charges and requested that the proceedings be dropped.

Observations of the Authority:

8. This Authority, upon examination of the material available on record, observes that the Respondent filed the application for registration of the project under Application No. REA00107704 on 10.03.2026, whereas the complainant had purchased Plot Nos. 1, 2, 3, 8, 9 and 10 through registered sale deeds dated 04.02.2023. The chronology of events clearly indicates that the application for registration was filed subsequent to the sale of the plots. The statutory requirement under Section 3(1) of the RE(R&D) Act, 2016 is that a promoter must obtain registration of the real estate project before advertising, marketing, booking, selling, offering for sale or inviting persons to purchase any plot, apartment or building in such project, wherever registration is mandated under the Act. The requirement of prior registration is mandatory and cannot be complied with retrospectively merely by filing an application after the sale transactions have taken place. The subsequent filing of an application does not absolve the Respondent of liability for any contravention committed prior thereto.

9. The Respondent has relied upon the filing of the registration application under the name "GR Nagar" and the payment of ₹78,701.15 towards registration charges. However, upon verification of the records available with this Authority, it is observed that the said application remains incomplete, and the deficiencies raised during scrutiny have not been complied with. The deficiencies relate to the annual audit reports for the immediately preceding three years, the registration certificate of the firm/company, bank account details, the latest Encumbrance Certificate, a revised Form B incorporating the extended date of completion duly obtained from the local body, the digitally signed layout plan, and the work completion certificate. The existence of these outstanding deficiencies demonstrates that the application has not culminated in the grant of registration. The Respondent cannot, therefore, rely upon the mere filing of the application or payment of registration charges as proof of registration or statutory compliance.

10. This Authority observes that the payment of registration charges and the grant of registration are two distinct matters. Payment of the prescribed charges is only one step in the registration process and does not confer the status of a registered project upon the applicant. Registration can be treated as having been obtained only upon completion of the applicable

statutory requirements and the grant of registration by the competent Authority. In the present case, the Respondent has neither established that registration was obtained before the sale of the plots in February 2023 nor demonstrated that the subsequent application filed on 10.03.2026 has been duly approved. The Respondent's reliance upon the pending application, therefore, does not answer the specific allegation of contravention of Sections 3 and 4 of the RE(R&D) Act, 2016.

11. This Authority further observes that the Respondent was required to ensure compliance with the statutory requirements before undertaking activities relating to the sale of plots in the project, and not to seek registration only after the sale transactions had already taken place. The subsequent filing of the application, more than three years after the registered sale deeds dated 04.02.2023, cannot retrospectively validate any activity undertaken in contravention of Section 3(1) of the RE(R&D) Act, 2016. The Respondent was afforded an opportunity to explain the circumstances and establish compliance with the Act. However, the explanation relying upon the subsequent registration application and payment of charges does not establish that the mandatory requirement of prior registration was fulfilled.

12. This Authority takes serious note of the fact that, despite the sale transactions having taken place in February 2023, the Respondent filed the registration application only on 10.03.2026, and the application continues to suffer from several deficiencies. The statutory requirement of registration is intended to ensure transparency, accountability and protection of the interests of prospective allottees before they enter into transactions relating to a real estate project. Permitting a promoter to proceed with the sale of plots without first obtaining the requisite registration and thereafter relying upon a pending and incomplete application would defeat the very object and purpose of the RE(R&D) Act, 2016. The Respondent is, therefore, cautioned in the strictest terms that the statutory obligations under the Act must be complied with in advance and cannot be treated as formalities to be completed after the sale of plots.

13. This Authority observes that the Secretary, TG RERA, dated 20.09.2026, had already imposed a penalty of ₹2,10,000/- (Rupees Two Lakhs Ten Thousand Only) upon the Respondent-Promoter towards the contravention arising out of the failure to obtain registration of the project prior to undertaking the sale of plots. However, upon verification of the records available with this Authority, it is observed that the said penalty amount remains unpaid as on date. The Respondent-Promoter is, therefore, liable to remit the penalty already imposed in

accordance with the aforesaid proceedings. The Respondent-Promoter is required to address all deficiencies raised by this Authority and fulfil the applicable statutory requirements to obtain registration of the project. Mere filing of the application and payment of registration charges cannot be construed as registration under the RE(R&D) Act, 2016. The Respondent-Promoter shall, therefore, take necessary steps to complete the registration process and shall not undertake any activity requiring registration under Section 3(1) of the Act unless and until the requisite registration is duly granted by this Authority.

14. This Authority takes serious note of the failure of the Respondent-Promoter to obtain registration prior to the sale of the plots and the subsequent failure to remit the penalty already imposed. The statutory obligations under the RE(R&D) Act, 2016 are mandatory and are required to be complied. The Respondent-Promoter is hereby cautioned to ensure strict adherence to the provisions of the Act and the Rules and Regulations framed thereunder. Any further violation or failure to comply with the statutory requirements shall be viewed seriously and shall attract appropriate proceedings and penal consequences in accordance with law.

15. In view of the foregoing observations, this Authority observes that the contravention arising out of the failure to obtain prior registration has already been dealt with by the imposition of a penalty of ₹2,10,000/- (Rupees Two Lakhs Ten Thousand Only) by the Secretary, TG RERA. The Respondent-Promoter is hereby directed to remit the aforesaid penalty amount and take necessary steps to rectify all the deficiencies in the registration application bearing No. REA00107704 and obtain registration of the project in accordance with the provisions of the RE(R&D) Act, 2016 within 30 days from the date of this order. This Authority further makes it clear that the closure of the present proceedings shall not absolve the Respondent-Promoter of the aforesaid obligations or any other statutory liability under the Act. Accordingly, the present Suo Motu proceedings are hereby closed, subject to compliance with the above requirements.

Sd/-	**Sd/-**
Sri K. Srinivasa Rao,	**Sri Laxmi Narayana Jannu,**
Hon'ble Member,	**Hon'ble Member,**
TG RERA	**TG RERA**