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

SUO MOTU CASE NO. 29/2026
Date: 10th November 2026

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

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) ***…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 "RE(R&D) Act, 2016"), pursuant to the order dated 02.04.2026 passed by this Authority in Complaint No.259 of 2025, wherein a prima facie violation of Section 3(1) of the RE(R&D) Act, 2016 was recorded against M/s. Atluri Developers Private Limited (hereinafter referred to as "the Respondent/Promoter") in respect of the project "Atluri Ascend", situated at Kondapur, Serilingampally Mandal, Rangareddy District, Telangana. The said violation arose from the fact that the Respondent had entered into an Agreement for Sale dated 03.02.2021 in respect of a commercial unit forming part of the said project, prior to obtaining registration of the project under the RE(R&D) Act, 2016.

2. The material on record discloses that the Respondent had entered into a registered Development Agreement-cum-General Power of Attorney dated 14.02.2020 with the landowners in respect of the subject property and thereafter obtained an initial building permission dated 07.07.2020 for the purpose of construction of multi- stored commercial complex named as "Atluri Ascend".W During the course of development, the Respondent entered into the aforesaid Agreement for Sale dated 03.02.2021 with Cloudsan Infrastructure LLP in respect of commercial premises in the project. The transaction contemplated the purchase of a commercial unit on the seventh floor of the proposed development for a consideration of Rs.6,14,26,288/-.

3. It is further borne out from the record that the Respondent subsequently obtained a revised building permission bearing No. 4486/GHMC/SLP/2022-BP dated 08.12.2022, and the project was registered with the Telangana Real Estate Regulatory Authority under Registration No. P02400005519 on 14.12.2022. While so the Authority, in its order dated 02.04.2026, specifically recorded that the booking and execution of the Agreement for Sale had taken place prior to obtaining registration of the project, which falls within the ambit of prohibiton u/S 3 of the RE(R&D) Act, 2016. Such an act on the part of the Respondent prima facie constituted a violation of the said section of the Act.

4. In view of the aforesaid finding, the Authority in Complaint No.259 of 2025 directed the Secretary, Telangana Real Estate Regulatory Authority, to examine the said prima facie violation and initiate appropriate Suo motu proceedings in accordance with the provisions of the RE(R&D) Act, 2016. Accordingly, Show Cause Notice dated 10.04.2026 was issued to the Respondent in Suo-Motu Case No.29/2026/TGRERA, calling upon it to explain as to why appropriate penal action should not be taken under Section 59 of the RE(R&D) Act, 2016, for contravention of Section 3(1) of the RE(R&D) Act, 2016.

5. In response to the Show Cause Notice, the Respondent filed its reply dated 02.07.2026, wherein it submitted that the Agreement of Sale dated 03.02.2021 was a preliminary and executory arrangement, entered into at a stage when the project had not attained its final form or structure, and that the terms thereof were conditional upon obtaining requisite approvals, finalisation of plans and compliance with applicable statutory requirements. The Respondent submitted that the said Agreement did not result in crystallisation of final or enforceable rights and obligations between the parties.

6. The Respondent submitted that the project underwent substantial evolution on account of the COVID-19 pandemic, evolving regulatory requirements and prevailing market conditions, resulting in changes in building configuration, layout and addition of amenities. It was submitted that the project as ultimately developed and registered under the name “ASCEND” was materially distinct from its initial conceptual stage. The Respondent submitted that the registered Sale Deed dated 08.12.2022 superseded the earlier Agreement of Sale and represented the final, binding and enforceable terms between the parties.

7. The Respondent submitted that there was no deliberate or wilful violation of the Act and that its conduct reflected a bona fide approach and a consistent intention to comply with the statutory framework. It was contended that the initial arrangement was limited and conditional, did not constitute any large-scale public launch or systematic marketing prior to registration, and that no purchaser or allottee suffered any prejudice. The Respondent submitted

that there was no fraud or misrepresentation and that the project was subsequently duly registered and brought within the regulatory framework.

8. The Respondent submitted that even assuming, without admitting, any technical deviation from the provisions of the Act, the same was purely inadvertent**,** arose during the transitional stages of project development, was neither deliberate nor actuated by any mala fide intent, and stood fully cured and regularised by the subsequent registration of the project and adherence to the statutory framework. Accordingly, the Respondent prayed for dropping of the proceedings and for not taking any penal action under Section 59 of the RE(R&D) Act, 2016.

Observations of the Authority:

9. This Authority, upon examination of the material available on record, including the order dated 02.04.2026 passed in CC No.259 of 2025, the Show Cause Notice dated 10.04.2026, the reply dated 02.07.2026 filed by the Respondent and the documents relied upon therein, finds that the principal issue requiring determination is whether the Respondent, by entering into the Agreement for Sale dated 03.02.2021 in respect of the subject commercial unit, prior to obtaining registration of the project under the RE(R&D) Act, 2016, has contravened Section 3(1) of the RE(R&D) Act, 2016. The Agreement for Sale was executed on 03.02.2021, whereas the project was registered with the Authority only on 14.12.2022 under Registration No. P02400005519, and further as pointed out herein above, this Authority has already recorded in the order dated 02.04.2026 herein above that the booking and execution of the Agreement for Sale had taken place prior to obtaining RERA registration.

10. As can be seen Section 3(1) of the RE(R&D) Act, 2016 expressly prohibits a promoter from advertising, marketing, booking, selling, offering for sale or inviting persons to purchase any plot, apartment or building in a real estate project without registering the real estate project with the Authority. The statutory requirement of registration is therefore a condition precedent to undertaking the activities specified under Section 3(1). The legislative mandate is clear that registration must precede the act of booking or sale and cannot be treated as a subsequent formality capable of retrospectively curing or validating a transaction already entered into in contravention of the statutory requirement.

11. In the present case, the Respondent has not disputed the execution of the Agreement for Sale dated 03.02.2021. The Respondent's defence that the said agreement was preliminary, conditional and executory in nature and that it did not create any crystallised or absolute rights in favour of the purchaser is vague, imaginary and baseless. Such contention does not displace the statutory consequence arising out of violation of Section 3 of the Act. On the other hand

the material on record establishes that the Respondent had proceeded to book and agree to sell a specific commercial unit to the purchaser at a point of time when the project had admittedly not obtained registration under the RE(R&D) Act, 2016. The characterisation of the agreement as preliminary or conditional cannot alter the fact that the Respondent had undertaken an act expressly regulated by Section 3(1) of the RE(R&D) Act, 2016, prior to registration.

12. The Respondent has further sought to rely upon the subsequent registered Sale Deed dated 08.12.2022, contending that the said instrument constituted the final and binding transaction between the parties and superseded the earlier Agreement for Sale. This contention also cannot be accepted for the purpose of determining the violation under Section 3(1) of the RE(R&D) Act, 2016. The subsequent execution of a registered Sale Deed does not retrospectively extinguish the statutory breach arising from the earlier booking and sale vide agreement for Sale. The relevant point for consideration is the date on which the Respondent first undertook the act of booking or agreeing to sell the property, and on that date, i.e., 03.02.2021, the project was admittedly not registered with the Authority.

13. It is further significant that the Respondent itself relies upon the subsequent registration of the project on 14.12.2022 as demonstrating its compliance with the RE(R&D) Act, 2016 on the said subsequent date. Such reliance, in fact, reinforces the undisputed position that no registration existed on 03.02.2021 when the Agreement for Sale was executed. The subsequent obtaining of Registration No. P02400005519 cannot be treated as having retrospective operation so as to validate an act which had already been undertaken contrary to the express prohibition contained in Section 3(1). Registration brings the project within the regulatory framework from the date of registration and does not retrospectively legalise a pre-registration booking or sale.

14. The Respondent has further contended that there was no deliberate or wilful violation of the provisions of the Act and that the transaction was undertaken bona fide during the initial stage of the project. It has also submitted that there was no fraud or misrepresentation and that no prejudice was caused to the purchaser. This Authority is of the considered view that the absence of an alleged fraudulent intention or the absence of prejudice does not by itself negate a statutory violation under Section 3(1). The prohibition contained in Section 3(1) of the the RE(R&D) Act, 2016 operates upon the act of booking, sale or offering for sale without prior registration. The Authority is therefore required to examine the objective statutory compliance and not merely the subjective intention attributed to the promoter.

15. The order dated 02.04.2026 passed in CC No.259 of 2025 is also material in this regard, since this Authority, after examining the Agreement for Sale dated 03.02.2021 and the date of

RERA registration of the project had already recorded that the booking and execution of the Agreement for Sale took place prior to obtaining of registration and that such conduct constituted a violation of Section 3 of the RE(R&D) Act, 2016, while directing the initiation of appropriate Suo motu proceedings. The present proceedings have accordingly been instituted for examination of the said violation and the consequential penal liability under Section 59. The Respondent's reply does not bring forth any new material capable of displacing the factual foundation upon which the said finding was recorded.

16. This Authority is therefore unable to accept the Respondent's contention raised in his reply. The statutory prohibition operates at the stage of booking or sale, and the subsequent events cannot retrospectively alter the legal position prevailing on the date of the initial transaction. The fact remains that the Respondent entered into the Agreement for Sale on 03.02.2021, while the project obtained RERA registration only on 14.12.2022.

17. This Authority further observes that registration under the RE(R&D) Act, 2016, is not a mere procedural formality. It is the mechanism through which a real estate project is brought within the statutory regulatory framework, enabling prospective purchasers to access the disclosures, particulars and protections contemplated under the RE(R&D) Act, 2016. Permitting a promoter to first enter into an agreement for sale and subsequently obtain registration of the project would defeat the legislative scheme and dilute the mandatory character of Section 3(1). The Respondent, being the promoter undertaking the development, was required to ensure compliance with the statutory requirement before proceeding with the booking or sale of the commercial unit.

18. In view of the foregoing observations and upon comprehensive consideration of the material available on record, this Authority holds that the execution of the Agreement for Sale dated 03.02.2021, in respect of the subject commercial unit, prior to obtaining registration of the project under the RE(R&D) Act, 2016, constitutes a contravention of Section 3(1) of the RE(R&D) Act, 2016.

19. Accordingly, this Authority holds that the Respondent sM/s. Atluri Developers Private Limited, being the Promoter of the project “Atluri Ascend”, has contravened Section 3(1) of the RE(R&D) Act, 2016, by entering into the Agreement for Sale dated 03.02.2021 prior to obtaining registration of the project with the Authority and is consequently liable for imposition of penalty under Section 59 of the RE(R&D) Act, 2016.

Directions of the Authority:

20. In light of the foregoing observations and findings, and in exercise of the powers conferred under Sections 35, 37 and 38 of the RE(R&D) Act, 2016, this Authority hereby issues the following directions:

a) For violation of Section 3(1) of the RE(R&D) Act, 2016, i.e., for entering into the Agreement for Sale dated 03.02.2021 in respect of the commercial unit in the project "Atluri Ascend" prior to obtaining the mandatory registration of the project with the Authority, the Respondent is liable for imposition of penalty under Section 59 of the RE(R&D) Act, 2016. Accordingly, a penalty of ₹15,00,000/- (Rupees Fifteen Lakhs only) is hereby imposed upon the Respondent for the said violation.

b) The Respondent is directed to remit the penalty amount imposed herein within a period of 30 days from the date of this Order in favour of the TG RERA FUND, through Demand Draft or by way of online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036.

21. The Respondent is hereby informed that failure to comply with the directions issued herein shall attract further penal consequences under Section 63 of the RE(R&D) Act, 2016.

TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY

Sd/-
Sri K. Srinivasa Rao,
Hon'ble Member,
TG RERA

Sd/-
Sri Laxmi Narayana Jannu,
Hon'ble Member,
TG RERA