

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

SUO MOTU CASE NO. 3021/2025

Date: 9th February 2025

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

M/s ELV Developers
Represented by Mr Erugandla Srinivas,
ELV Developers, H.No.5-80, Teachers Colony,
Gurramguda, Balapur Mandal, RR District, T.S.- 501510

...PROMOTER/RESPONDENT

ELV Legacy

...PROJECT NAME

ORDER

The present Suo motu proceedings have been initiated by this 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 “the RE(R&D) Act, 2016”), upon receiving information from the Petitioner, Sri S.P. Pavithran, through an email dated 11.07.2025, with attachment of detailed representation dated 08.04.2025 and documentary proof of payments aggregating to ₹12,00,000/- made towards booking of a residential unit in the said proposed project, wherein he brought to the notice of this Authority that M/s ELV Developers, represented by Sri Erugadindla Srinivas (hereinafter “the Respondent”), had been advertising, marketing, booking, collecting advance amounts and offering for sale of residential units in the proposed real estate project titled “ELV Legacy” situated at Adibatla, Ranga Reddy District, without obtaining mandatory registration under the RE(R&D) Act, 2016.

2. The information furnished by the Petitioner discloses that he had paid an amount of ₹10,00,000/- on 30.12.2024 and further ₹2,00,000/- on 23.02.2025, which were duly acknowledged by the Respondent through receipts issued on the official letterhead of “ELV Developers”. The Petitioner stated that at the time of booking, the Respondent assured him that the project would be registered with TG RERA within two weeks, and relying upon such representation, he proceeded with the booking. However, despite the lapse of several months, no registration was obtained for the project, nor was the booking amount refunded, even after the Petitioner issued a formal cancellation notice dated 28.03.2025.

3. While so the Petitioner, has addressed letter dated 08.04.2025 to the Respondent by submitting copy of it to this Authority, wherein he has asserted that after collecting the booking amount, the Respondent unilaterally altered the undivided share (UDS) of land initially stated as 140 sq. yards to 120 sq. yards and extended the possession timeline by a further nine months without any formal intimation. The Petitioner also stated therein that the Respondent insisted upon entering into an agreement containing terms wholly favourable to the builder and demanded further payment contrary to the representations made at the time of booking. Despite repeated requests and the cancellation notice, the Respondent neither refunded the amount nor offered any explanation to the Petitioner.

4. Based on the above information and documentary material furnished by the Petitioner, this Authority conducted preliminary verification and ascertained that the project titled “ELV Legacy” situated at Adibatla was not registered with TG RERA as required under Sections 3(1) and 4(1) of the RE(R&D) Act, 2016. It was further confirmed from records that no application for registration had been submitted by the Respondent during the period of collection of the amounts from the Petitioner. The receipts issued by the Respondent, corresponding to the amounts paid by the Petitioner, predate any attempt by the Respondent to submit a registration application for the said project.

5. Accordingly, this Authority by initiating Suo Motu proceedings, issued a Show Cause Notice dated 22.07.2025 to the Respondent, calling upon him to explain why penal proceedings under Sections 59 and 60 of the RE(R&D) Act, 2016, should not be initiated for undertaking advertising, marketing, booking and collection of advance amounts for the project “ELV Legacy” without obtaining mandatory registration.

6. In the meanwhile, the petitioner has filed complaint in Form ‘M’ against the Respondent herein, and the same has been numbered as C.C.No. 519/2025. The Respondent, in response to the Show Cause Notice, submitted a reply dated 08.09.2025 wherein he stated that he had already filed an application for registration of the project “ELV Legacy” before this Authority, bearing Application No. REA02400086059, and that the said application was presently under process. The Respondent further asserted that no sale, booking or agreement in respect of any unit had been undertaken prior to obtaining registration approval, and that he had at all times complied with the provisions of Sections 3(1) and 4(1) of the RE(R&D) Act, 2016. He claimed that the RERA application had been submitted in good faith and in full adherence to statutory requirements and requested that this Authority take the said explanation on record and process the registration application expeditiously.

OBSERVATIONS OF THE AUTHORITY:

7. Upon examination of the material available on record, including the Petitioner's submissions, the payment receipts issued by the Respondent, the Petitioner's cancellation notice, the Show Cause Notice issued by this Authority, and the reply furnished by the Respondent dated 08.09.2025, this Authority notes that the Respondent, M/s ELV Developers, represented by Sri Erugadindla Srinivas, had engaged in advertising, marketing, booking, collecting advance consideration, and offering for sale residential units in the proposed project titled "ELV Legacy", situated at Adibatla, without obtaining prior registration as mandated under the RE(R&D) Act, 2016.

8. This Authority observes that in the reply dated 08.09.2025, the Respondent submitted that an application bearing No. REA02400086059 had been filed and was under process, and further claimed that no booking or sale had been undertaken prior to obtaining registration approval. However, this explanation is contradicted by the documentary evidence available on record. The receipts issued on the Respondent's letterhead acknowledging the collection of ₹12,00,000/- from the Petitioner remain undisputed. The Respondent has neither questioned the authenticity of these receipts nor denied receipt of the amounts recorded therein. No explanation has been furnished regarding the dates of payment, nor has any material been produced to demonstrate that the amounts collected were unconnected to the proposed project. In the absence of any rebuttal, the Respondent's assertions remain unsupported and not sustained, since the receipts conclusively indicate that booking-related amounts were collected prior to obtaining registration.

9. This Authority notes that the dates of the receipts on record clearly predate the Respondent's claimed initiation of the registration process. The Respondent has not produced any document to demonstrate that a registration application was filed before commencing activities such as marketing, booking, or collection of amounts from the Petitioner. Under Section 3(1) of the RE(R&D) Act, 2016, a promoter is expressly prohibited from advertising, marketing, booking, selling, offering for sale, or collecting any amount from an allottee unless the real estate project is duly registered with this Authority. Also, Section 4(1) mandates that a complete registration application, together with all requisite disclosures and supporting documents, must be submitted prior to undertaking any activity that involves soliciting

advances or commitments from prospective allottees. The material available on record clearly establishes that the Respondent commenced these activities without securing prior registration, thereby acting in disregard and violation of the mandatory requirements of the RE(R&D) Act, 2016.

10. This Authority further underscores that the RE(R&D) Act, 2016, permits the collection of any booking amount or advance consideration only after the project has been duly registered and such registration has been formally approved by this Authority. The mere filing of a registration application does not authorise a promoter to solicit or collect monies from prospective allottees. In the present case, the amounts collected from the Petitioner between 30.12.2024 and 24.02.2025 were received prior to obtaining registration approval, placing the Respondent in direct contravention of Section 3 of the RE(R&D) Act, 2016.

11. Upon cumulative evaluation of the entire material before this Authority, it stands clearly established that the Respondent commenced advertising, booking, and collection of monies without obtaining the mandatory registration for the project, thereby contravening Section 3 of the RE(R&D) Act, 2016, and thus is liable for penalty under Section 59 of the RE(R&D) Act, 2016.

DIRECTIONS OF THE AUTHORITY:

12. In the 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 of the RE(R&D) Act, 2016, i.e., for undertaking advertising, marketing, booking, and collection of monies without obtaining mandatory registration of the project, the Promoter/Respondent, M/s ELV Developers, represented by Sri Erugadindla Srinivas, is held liable for penalty under Section 59 of the RE(R&D) Act, 2016. Accordingly, a penalty of ₹6,40,677/- (Rupees Six Lakh Forty Thousand Six Hundred and Seventy-Seven only) is hereby imposed on the Promoter/Respondent, with a direction to remit the same within 30 days in favour of TGRERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036.

b) The Promoter/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.

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

