

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**SUO MOTU CASE NO. D6/647/2025**

**Date: 31<sup>st</sup> October 2025**

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

M/s Kapil Properties

*P.No.144, Survey 37, Financial District,  
Nanakramguda, Gachibowli, Hyderabad,  
Telangana-500032*

...Promoter/Respondent

Kapil Kavuri Hub

Kapil Towers

Kapil Business Park

... Project Name(s)

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 "RE(R&D) Act, 2016"). The action arises with reference to the advertisement published on the website 'kapilkavurihub.com'.

2. It has come to the notice of this Authority that M/s Kapil Properties, through its official websites, namely '[www.kapilkavurihub.com](http://www.kapilkavurihub.com)' and '[www.kavuribusinesspark.com](http://www.kavuribusinesspark.com)', has been engaged in the advertisement, marketing, and selling of commercial units in its real estate projects titled 'Kapil Kavuri Hub' and 'Kapil Towers', both located at Nanakramguda, Gachibowli, Hyderabad, without obtaining the requisite registration from this Authority, thereby prima facie contravening the provisions of Sections 3(1) and 4(1) of the RE(R&D) Act, 2016.

3. Upon consideration of the prima facie material available on the website which includes the prospectus and brochures, this Authority issued a Show Cause Notice dated 11.03.2025 under Section 3(1) and Section 4(1) of the RE(R&D) Act, 2016 calling upon the Respondent, who is a promoter, to explain why action should not be taken for facilitating the sale of flats in an unregistered project.

4. The Respondent, the Director of Dakshin Infrastructures Pvt. Ltd., a member of Kapil Group, vide reply dated 22.03.2025, denied the allegations and contended that the projects in question are not covered under the RE(R&D) Act, 2016. The Respondent submitted that the

project, Kapil Towers, received an occupancy certificate dated 10.03.2014, prior to the enactment of the RE(R&D) Act, 2016, and is therefore not covered under the purview of the RE(R&D) Act, 2016. Whereas, the project Kapil Kavuri Hub received building permission dated 02.09.2016 and claimed exemption under Rule 1(2) of the Telangana Real Estate (Regulation and Development) Rules, 2017, stating it does not fall under the definition of an ongoing project as the project received the building permission before the enactment of the RE(R&D) Act, 2016 and also the said project received its occupancy certificate on 01.02.2021.

5. The Respondent has placed on record the following particulars for the consideration of this Authority.:

<u>Project Name</u>	<u>Building Permit Number</u>	<u>Occupancy Certificate</u> <u>Issued On</u>
Kapil Towers	07/ZM&Comm/IALA-NNK& RDG/BP/2011-12 dated 09.03.2012	10.03.2014
Kapil Kavuri Hub	52583/HO/WZ/CIR-11/2016 dated 02.09.2016	01.02.2021

6. The matter was taken up for hearing on 26.04.2025, during which the Respondent appeared and submitted that they are in full compliance with the provisions of the RE(R&D) Act, 2016. The Respondent further stated that they have duly adhered to the statutory requirements prescribed under the RE(R&D) Act, 2016, in respect of their projects and, in support of their bona fides, brought to the attention of this Authority another project promoted by them which has been duly registered.

7. The Respondent subsequently filed an additional reply dated 29.04.2025, wherein they submitted that their project, Kapil Business Park, has been duly registered under Registration No. P02400002352. They further stated that the RERA registration number of the said project has been clearly displayed on their official website, in compliance with the requirements pertaining to advertisement and public disclosure under the provisions of the RE(R&D) Act, 2016. The Respondent also affirmed their commitment to operate in accordance with the law and assured the Authority that all necessary steps would be taken to ensure continued and complete compliance with all applicable statutory provisions, rules, and regulations governing real estate development and promotion.

**Observations of the Authority:**

8. On perusal of the material on record and the information available with this Authority, including the Occupancy Certificates produced, it is observed that the project “Kapil Towers” was granted an Occupancy Certificate on 10.03.2014. Since the said certificate was issued prior to the commencement of the Real Estate (Regulation and Development) Act, 2016, the project falls outside the purview of the said Act and, therefore, does not attract the requirement of registration under Section 3 thereof.

9. With respect to the project “Kapil Kavuri Hub”, it is noted that the building permission was granted on 02.09.2016, i.e., prior to the enforcement of the RE(R&D) Act, 2016, but the Occupancy Certificate was obtained only on 01.02.2021, i.e., subsequent to 01.05.2017, the date of commencement of the Act. In terms of Section 3(1) of the Act, any project which was ongoing as on 01.05.2017 and which had not obtained a Completion or Occupancy Certificate as on that date was required to be registered under the Act. However, the definition of “ongoing project” under Rule 2(1)(j) of the Telangana Real Estate (Regulation and Development) Rules, 2017, as it then stood, led to interpretational ambiguity, as it described an ongoing project as one for which building permission had been obtained after the commencement of the RE(R&D) Act, 2016.

10. In the circumstances, this Authority is of the considered view that the Respondent could have reasonably and bona fide interpreted the said Rule to mean that projects which had obtained building permission prior to 01.05.2017 did not require registration under the RE(R&D) Act, 2016. The position was later clarified only through Circular No. 607/2025/TGREERA dated 04.03.2025 and the subsequent amendment to TG RE(R&D) Rule 2(1)(j) vide G.O.Ms. No. 60 dated 04.03.2025, which conclusively settled the scope of the term “ongoing project.”

11. In view of the above, the Respondent’s non-registration of the project “Kapil Kavuri Hub” cannot be construed as a deliberate or wilful violation of the law, as it was based on a reasonable interpretation of the Rules then in force. Considering that, this Authority holds that no penalty is warranted under Sections 59 or 60 of the RE(R&D) Act, 2016, for the said non-registration.

12. Nevertheless, the Respondent and all other promoters are hereby placed on notice that, in light of the amendment to Rule 2(1)(j) and the clarificatory Circular dated 04.03.2025, the

legal position now stands unambiguously settled. It is hereby clarified that all projects which had not obtained Occupancy Certificates as on 01.05.2017 are mandatorily required to be registered under the RE(R&D) Act, 2016. Any failure to comply with this statutory requirement henceforth shall be treated as a violation of the Act, attracting appropriate penal consequences.

13. Upon consideration of the submissions made by the Respondent during the hearing held on 26.04.2025 and the additional reply dated 29.04.2025, this Authority notes that the Respondent has demonstrated bona fide intent and due diligence in ensuring compliance with the provisions of the RE(R&D) Act, 2016. The Respondent has furnished evidence showing that the project “Kapil Business Park” has been duly registered under Registration No. P02400002352, and that the requisite details have been displayed on its official website in conformity with the disclosure and advertisement requirements prescribed under the RE(R&D) Act, 2016. In view of the Respondent’s transparent conduct and adherence to the statutory framework, this Authority finds no grounds to attribute wilful default or non-compliance. Hence, considering the foregoing observations, no further action is warranted under the provisions of the RE(R&D) Act, 2016.

14. Accordingly, the Suo motu case is closed.



**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**