

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

SUO MOTU CASE NO. D6/827/2025

Date: 16th September, 2025.

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

M/s Sunrise Infra Properties Pvt. Ltd.

rep. by its managing director, Mr. Pammi Anji Reddy

Siri Vanam

...PROMOTER/RESPONDENT

...PROJECT NAME

ORDER

The present proceedings have been initiated *Suo-motu* by the Telangana Real Estate Regulatory Authority (hereinafter referred to as “the Authority”), in exercise of powers conferred under Section 35(1) of the Real Estate (Regulation and Development) Act, 2016 (hereinafter “RE(R&D) Act, 2016”). The action arises from a complaint received from the Chief Editor, Four Sides Network Pvt. Ltd., dated 26.03.2025, alleging that the Respondent is engaged in advertising, marketing, and selling of plots in the project titled “Siri Vanam”, without obtaining requisite permissions and registration as mandated under the RE(R&D) Act, 2016.

2. The complaint was supported by documents, including registered sale deeds, marketing brochures, and encumbrance certificates, indicating that the Respondent was projecting agricultural land as farm plots, subdivided into smaller units and offering them for sale as a layout, without obtaining layout approval, conversion permission, or mandatory registration as a real estate project.

3. From the records of the Authority, it is brought to the notice that the said Respondent promoter is a registered Agent, via Registration No. A02400002556. Upon consideration of the prima facie material, this Authority issued a Show Cause Notice dated 15.04.2025 under Section 10(a) of the RE(R&D) Act, calling upon the Respondent, who is a registered real estate agent, to explain why action should not be taken for facilitating the sale of plots in an unregistered project.

4. The Respondent, vide reply dated 02.05.2025 and additional submissions dated 22.05.2025, denied the allegations and contended that the land in question is agricultural in nature. It was further asserted that the Respondent has not undertaken any act of marketing, advertisement, or sale of plots in the project titled “Siri Vanam.” Additionally, the Respondent submitted that in the absence of certification under Section 65B of the Indian Evidence Act, 1872, and Section 63B of the Bharatiya Sakshya Adhiniyam, 2023, the electronic evidence submitted by the Complainant is inadmissible and therefore cannot be relied upon by the Authority for initiating or sustaining any proceedings under the RE(R&D) Act, 2016.

Observations of the Authority:

5. On perusal of the material on record, including brochures and registered sale documents, this Authority observes that the land in question was divided into 449 plots, accompanied by developmental works including internal roads and a proposed clubhouse with multiple amenities. These offerings were featured in marketing brochures and other promotional content associated with the project *Siri Vanam*.

6. As per Section 2(zn) of the RE(R&D) Act, 2016 the development of land into plots for the purpose of sale, along with infrastructure, constitutes a “real estate project.” The definition under Section 2(zn) of the RE(R&D) Act, 2016 reads as follows:

"real estate project" means 'the development of a building or a building consisting of apartments, or converting an existing building or a part thereof into apartments, or the development of land into plots or apartment, as the case may be, for the purpose of selling all or some of the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto

7. In light of the above, the Authority is of the considered opinion that the activities undertaken by the Respondent squarely fall within the ambit of a real estate project. The claim that the land was sold as agricultural plots is a deliberate attempt to circumvent the mandatory registration provisions under the RE(R&D) Act, 2016 and is, therefore, untenable.

8. From the encumbrance certificates and registered sale deeds, it is evident that Mr. Chennamadavuni Gopal Krishna, acting under authorization from the Managing Director of the Respondent company, Mr. Pammi Anji Reddy, executed multiple sale transactions in the layout known as *Siri Vanam*.

9. While the Show Cause Notice was issued under Section 10(a) of RE(R&D) Act, 2016 in relation to real estate agents it is evident that the Respondent's involvement goes beyond mere facilitation. By organizing the sale of developed plots and participating in the planning and execution of the layout, the Respondent has assumed the role of a "promoter" as defined under Section 2(zk)(ii) of the RE(R&D) Act, 2016 which includes:

- (i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees; or*
- (ii) a person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project, whether with or without structures thereon; or*
- (iii) any development authority or any other public body in respect of allottees of—*
 - (a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the Government; or*
 - (b) plots owned by such authority or body or placed at their disposal by the Government, for the purpose of selling all or some of the apartments or plots; or*
 - (iv) an apex State level co-operative housing finance society and a primary co-operative housing society which constructs apartments or buildings for its Members or in respect of the allottees of such apartments or buildings; or*
 - (v) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale; or*
 - (vi) such other person who constructs any building or apartment for sale to the general public.*

Explanation.—For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the person who sells apartments or plots are different person, both of them shall be deemed to be the promoters and shall be jointly liable as such for the functions and responsibilities specified, under this Act or the rules and regulations made thereunder;

10. The marketing materials, registered deeds, and control over the land confirm that the Respondent exercised significant control and interest over the project and cannot escape liability by simply relying on the title of a real estate agent.

11. Section 3(1) of the RE(R&D) Act, 2016 mandates that no promoter shall advertise, market, book, sell or offer for sale any plot in a real estate project without registration, where the project exceeds 500 square meters or involves more than eight plots. Section 3 of RE(R&D) Act, 2016 read as:

—(1) 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 established under this Act: Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act:

12. In the present case, with 449 plots, the project exceeds the threshold and thus requires mandatory registration. Accordingly, the Respondent is in violation of Sections 3 and 4 of the RE(R&D) Act, 2016 having failed to register the real estate project *Siri Vanam*.

13. The objection raised by the Respondent regarding the absence of certification under Section 65B of the Indian Evidence Act, 1872 and Section 63B of the Bharatiya Sakshya Adhiniyam, 2023 is legally misconceived and unsustainable.

14. These provisions apply exclusively to electronic records and have no application where the evidence relied upon comprises physical documents, such as registered sale deeds, encumbrance certificates, printed brochures, and prospectuses. The documents in question are physical in nature, form part of public records or executed instruments, and are therefore admissible without the need for certification under the aforementioned provisions.

15. While Section 53 of the RE(R&D) Act, 2016 governs the procedure of the Appellate Tribunal and expressly states that it shall not be bound by the Indian Evidence Act, a similar legislative intent is reflected in the powers and functions conferred upon the Authority under Sections 35, 36, 37, and 38, which emphasise inquiry, regulation, and directions in accordance with natural justice. This reinforces that the Authority's proceedings are also not intended to be governed by strict technicalities of formal evidence law.

16. Moreover, the definitions under the RE(R&D) Act, 2016 reflect a legislative intent to permit a broad evidentiary scope, especially in the context of materials used for marketing, promotion, and sale of real estate projects. Relevant definitions include:

(b) “advertisement” means any document described or issued as advertisement through any medium and includes any notice, circular or other documents or publicity in any form, informing persons about a real estate project, or offering for sale of a plot, building or apartment or inviting persons to purchase in any manner such plot, building or apartment or to make advances or deposits for such purposes;

(zl) “prospectus” means any document described or issued as a prospectus or any notice, circular, or other document offering for sale of any real estate project or inviting any person to make advances or deposits for such purposes;

17. These definitions expressly encompass printed brochures, circulars, and other promotional content, including online and physical materials, and thereby recognize their evidentiary value in establishing representations and commitments made by the promoter.

18. Additionally, Sections 35, 36, 37, and 38 empower the Authority to initiate suo motu inquiries, take cognizance of facts and documents brought to its notice, and call upon any promoter, allottee, or real estate agent to furnish information relating to their affairs. Where the Authority is satisfied that a contravention of any provision of the Act, rules, or regulations has been committed, is continuing, or is about to be committed, it may pass appropriate orders to restrain such conduct and ensure compliance.

19. In view of the foregoing, this Authority finds no merit in the objection raised by the Respondent. The documents relied upon being physical in nature, legally admissible, and publicly executed are sufficient to support the findings recorded in these proceedings.

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 Sections 3 and 4 i.e., for non-registration of the project the Respondent is liable for penalty under Sections 59 and 60 respectively, therefore, the Respondent No.2 is directed to pay penalty of Rs.25,88,906/- (Twenty five lakhs and eighty eight thousand and nine hundred and six rupees only) payable 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 Respondent-promoter shall not advertise, market, book or sell or offer for sale, or invite persons to purchase in any manner any plot in the project *Siri Vanam*, until all requisite approvals are obtained from the competent planning authorities.
- c) The Respondent shall complete the registration of the said project with this Authority within 30 days from the date of obtaining necessary approvals and permissions.

- d) The Secretary, TG RERA, is directed to issue a public notice forthwith cautioning the general public against dealing with the Respondent Promoter or investing in the subject project. This public notice shall prominently include the relevant portions of this Order, especially the direction prohibiting any further transactions by the Promoter.

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.

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

