

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

SUO MOTU CASE NO. 3033/2025

Date:23rd February 2026

**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 ARKALA Realty Infra
Represented by Sri Praneeth Reddy and Prudvi Reddy,
H.No.8-4-17/SR/01,
Kamala Rainbow, Sairam Nagar Colony,
Champapet, Hyderabad 500079.

...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”), upon receiving information through social media advertisements, wherein it was brought to the notice of this Authority that M/s ARKALA Realty Infrastructure Pvt. Ltd., represented by its Managing Director Sri Arakala Praneeth Reddy and Director Sri Arakala Prudvi Reddy (hereinafter referred to as “the Respondent”), had been advertising and promoting an upcoming residential villa project proposed to be launched at Tukkguda, near ORR Exit-14, Hyderabad, without obtaining mandatory registration under the RE(R&D) Act, 2016.

2. The information available with this Authority discloses that the Respondent was advertising and publicising the said upcoming villa project through social media platforms and its official website, thereby inviting public attention and interest. The promotional material indicated the development of residential villas with amenities and invited prospective purchasers to register their interest and visit the project site, which clearly demonstrated advertisement and promotion of the said upcoming project.

3. Based on the information and documentary material available on record, this Authority conducted preliminary verification and ascertained that no real estate project at the aforesaid location was 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 the records of this Authority that no application for registration of the said project had been received.

4. Accordingly, this Authority issued a Show Cause Notice in Suo Motu Case No. D6/3033/2025/TG-RERA dated 31.07.2025 to the Respondent, calling upon them to explain as to why penal proceedings under Sections 59 and 60 of the RE(R&D) Act, 2016, should not be initiated for advertising and promotion of an unregistered real estate project without obtaining mandatory registration under the RE(R&D) Act, 2016.

5. In response to the Show Cause Notice, the Respondent, submitted a written reply dated 25.08.2025, wherein it is submitted that the social media post referred to in the Show Cause Notice was only a general announcement indicating that the Respondent was “coming up with a project” at Tukkguda, near ORR Exit-14, Hyderabad, and that the said post was made only to indicate future intent and to gauge market interest. It is further submitted that the Respondent has not advertised, marketed, booked, sold, or offered for sale any plots or villas in the said project, that no sale agreements have been executed, and that no advances or payments have been received from any prospective purchasers. It is also submitted that the said post did not contain any offer for sale or invitation to purchase and therefore does not fall within the purview of prohibited activities under Section 3(1) of the RE(R&D) Act, 2016.

6. The Respondent further submitted that upon receipt of the Show Cause Notice and in light of the concerns raised by this Authority, the Respondent immediately sought legal advice and, based on such advice, removed the said post from its social media platform to ensure compliance with the provisions of the RE(R&D) Act, 2016. It is submitted that the Respondent is a law-abiding real estate company and has always endeavoured to comply with the letter and spirit of the RE(R&D) Act, 2016. It is further submitted that the Respondent’s ongoing projects are duly registered with this Authority and that the Respondent undertakes to ensure that all future projects are registered with TG-RERA prior to undertaking any form of advertisement, marketing, or sale. The Respondent, therefore, requested this Authority to consider the explanation furnished and to close the Suo Motu proceedings.

OBSERVATIONS OF THE AUTHORITY:

7. Upon examination of the material available on record, including the social media advertisements placed by the Respondent, the promotional brochure and material available on record, and the reply furnished by the Respondent dated 25.08.2025, this Authority notes that the Respondent had engaged in advertising and promotion of an upcoming residential villa

project proposed to be launched at Tukkuguda, near ORR Exit-14, Hyderabad, without obtaining prior registration as mandated under the the RE(R&D) Act, 2016.

8. This Authority observes that in the reply dated 25.08.2025, the Respondent contended that the social media post was merely a general announcement of future intent and that no advertising, marketing, booking, or sale activities had been undertaken. However, this explanation stands contradicted by the documentary material available on record. The promotional content and brochure issued by the Respondent clearly project the development as a residential villa project spread over a substantial extent, with specific amenities, and invite prospective purchasers to register their interest and visit the project site for booking units. The Respondent has neither disputed the issuance of the said promotional material nor furnished any plausible explanation as to how such material does not amount to advertisement. In the absence of any rebuttal or material to the contrary, the Respondent's contention that no promotional activity was undertaken cannot be accepted.

9. This Authority notes that the act of issuing promotional material through social media platforms and inviting public interest in a proposed real estate development squarely amounts to advertising and promotion within the meaning of Section 3(1) read with Section 2(b) of the RE(R&D) Act, 2016. Such activity, even if characterised by the Respondent as a preliminary announcement or market survey, falls within the scope of prohibited acts under Section 3(1) of the RE(R&D) Act, 2016.

10. This Authority further reiterates that the RE(R&D) Act, 2016, does not recognise or permit any form of pre-launch advertising, promotion, or public representation of a real estate project unless the project is duly registered with the Authority. In the present case, the Respondent's act of projecting the proposed development as an upcoming villa project and inviting expressions of interest prior to obtaining registration approval constitutes a clear instance of pre-launch promotion without registration, thereby placing the Respondent in direct contravention of Section 3 of the RE(R&D) Act, 2016.

11. Upon cumulative evaluation of the entire material placed before this Authority, it stands clearly established that the Respondent had undertaken pre-launch advertising and promotion of an unregistered real estate project without obtaining the mandatory registration from this Authority, thereby contravening Section 3 of the RE(R&D) Act, 2016, and is consequently liable for imposition of 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 pre-launch advertising and promotion of a real estate project without obtaining mandatory registration, the Promoter/Respondent, M/s ARKALA Realty Infrastructure Pvt. Ltd., represented by its Managing Director, Sri Arakala Praneeth Reddy and Director Sri Arakala Prudvi Reddy, is held liable for penalty under Section 59 of the RE(R&D) Act, 2016. Accordingly, a penalty of ₹22,41,525/- (Rupees Twenty-Two Lakh Forty-One Thousand Five Hundred and Twenty-Five only) is hereby imposed on the Promoter/Respondent, with a direction to remit the same within 30 days from the date of receipt of this Order in favour of TGRERA FUND, through Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036.
- b) The Promoter/Respondent is hereby restrained forthwith from advertising, marketing, promoting, booking, selling, offering for sale, inviting persons to purchase, or representing in any manner whatsoever, the real estate project proposed to be developed at Tukkguda, near ORR Exit-14, Hyderabad, until such time the said project is duly registered with this Authority and full compliance with the provisions of the RE(R&D) Act, 2016 and the rules and regulations made thereunder is ensured.
- c) 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