

**TELANGANA REAL ESTATE REGULATORY AUTHORITY  
HYDERABAD**

Circular No: C/708/2024,

Dt.19.10.2024

Subject: Procedure for transferring, or assigning promoter's rights and liabilities to a third party

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Whereas in accordance with Section 15 of the Real Estate (Regulation and Development) Act, 2016, the promoter shall not transfer or assign their majority rights and liabilities in respect of a real estate project to a third party without obtaining prior written consent from two-third allottees (excluding the promoter), and without the prior written approval of the Authority.

Whereas, in view of varied nature of litigations, it has become necessary to prescribe a procedure for the of transfer of promoter rights and liabilities to a third party in accordance with the provisions of Section 15 of Real Estate (Regulation and Development) Act, 2016.

Explanation: -

*(i) For the purpose of this section, changes in (internal ) shareholding or constituents of a promoter's organisation, that doesn't affect obligations and liabilities with respect to the Allottee(s) and the rights and liabilities of the promoter's organisation, shall not require the aforementioned approvals.*

*(ii)Any Conversion of the promoter of the entity under any statute, of*

*i). Partnership Firm into LL P/Private Limited Company or*

*ii).Conversion of Private Limited Company or unlisted Co. to a LLP or*

*Otherwise*

*iii).Proprietorship change by succession to legal heirs*

*Shall not require the aforementioned approvals*

2. Cases where transfer is Initiated by the Promoter: The promoter shall apply to TG RERA with the consent of two-third of the allottees as on the date of the application for the project under consideration, to seek permission to transfer its rights and liabilities to a third party. The third Party or the intending purchaser shall also submit the documents mentioned in Annexure-B and Declaration

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Prescribed in Annexure 'C'. The promoter shall submit the application to Secretary, TG RERA, in the format prescribed in Annexure-A along with Annexure - B, Annexure -C. Upon receipt of such an application, Secretary shall initiate action through the legal wing, which shall take necessary steps to obtain approval of TG RERA, This may include scheduling a hearing. TG RERA shall pass an order within one month of filing of such application, either granting approval to the transfer (with or without such conditions as it may prescribe) or rejecting the application for transfer.

Upon receipt of approval from TGRERA for the transfer, the new promoter shall, and thereafter within seven day of completion of the transfer, apply for necessary corrections in the existing registration details. The new promoter shall upload required supporting documents in its name such as land title, building plan approval, etc., as obtained from from time to time. While making such application for correction, the new promoter shall upload a registered undertaking on the TG RERA website, stating that they shall comply with all the obligations under agreement of sale executed by the erstwhile promoter with respect to the Allottee(s) of the project and that they have assumed all the obligations of the erstwhile promoter under RE (R&D) Act.

In case of amalgamation or merger of the companies, where amalgamating company is involved in a project registered under TG RERA, and amalgamation or merger is voluntarily initiated by the promoter, after 30 April, 2017, It shall be regarded as transfer initiated by the promoter. However, if amalgamation or merge or demerger of companies is not regarded as a transfer u/s 47 of ITA, 1961, or where 75% of shareholder remains the same in resultant company, such cases shall not require the aforesaid approvals from allottee's u/s 15.

3. Cases where the transfer is Initiated by a third party (eg. financial institution/ creditors, etc.) by operation of law' or by way of enforcing of the security. In cases where secured Loan and/ or the charge on the project is disclosed in the registration details of the project on the TG RERA website, the promoter shall notify to the Secretary, TG RERA, in format prescribed in Annexure-A, within seven days of becoming aware of the impending or potential transfer arising out of enforcement of security or mortgage. The promoter shall also simultaneously inform each allottee of the project of the impending or potential transfer.

Within seven days of the transfer being effected by the Financial Institution or creditors, such Financial institution or creditor shall notify to each Allottee (s) and Secretary TG RERA of the enforcement of the security, which has resulted in the

transfer of the ownership of the promoter organization or transfer of the project. The Financial Institution or creditors (acting as the new promoter) or new promoter (appointed by such financial institution or creditors) shall then apply for necessary corrections in the existing registration details. The new Promoter shall also upload the required supporting documents in its name, such as land title, building plan approval, etc., as obtained from time to time. While making such application for correction, the new promoter shall upload an undertaking TG RERA website, stating that they shall comply with all the obligations under agreement of sale executed by the erstwhile promoter with respect to Allottee (s) of the project and that they assumed all the obligations of the erstwhile promoter under the Act.

Example:

- I. Invocation of a Pledge of shares of the promoter organization by the Pledge.
  - II. Takeover of the assets of the project of the project by Bank/ Financial Institution Asset Reconstruction Company under SARFAESI.
  - III. Transfer of the Project by the Bank /Financial Institution/ Asset Reconstruction Company under SARFAESI (or under Insolvency and Banking code, 2016.
  - IV. Takeover of the management of the promoter in case of Insolvency and Banking Code, 2016.
4. Procedure for updating details of new promoter: The following procedure should be adopted for updating details:
- Upon receiving the application, the Secretary shall initiate action through the legal wing for the issuance of an order by the Authority.
  - TG RERA, order shall be communicated to the applicant via the email add provided.
  - As per the order, the new promoter may apply in correction module for change in the promoter details and attach the order of the Authority as a supporting document.
  - The new promoter shall, update module from time to time, also upload required supporting documents in its name, such as the amended land title, amended building plan approval. etc., as obtained.

By the approval of the Authority, TG RERA.

  
SECRETARY  
TG RERA 19/10/2024

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**Annexure —A**

Application for Change in Promoter

(On the letter head of the Promoter)

To

The Telangana Real Estate Regulatory Authority

Sir,

I / We apply herewith for your approval to transfer or assign my / our majority rights and liabilities in respect of real estate project to a third party with following details:

I.	TG RERA Project Registration Number	
II	Promoter Details:	
	Name:	
	Organization Type	
	Address	
	Contact Details (Mobile)	
	Email	
III.	Third Party details (Proposed Promoter):	
	Name:	
	Organization Type	
	Address	
	Contact Details (Mobile)	
	Email	

IV	Reason for Transfer	
V	Encl	

We enclose herewith the following documents:

- 1) Consent of Two-third allottees to seek permission to transfer its rights and liabilities to a third party

I / We hereby declare that the details furnished above are true and correct to the best of my/ our knowledge and belief and I / we undertake to inform you of any changes therein, immediately.

I / We declare that there is no pending case before any court/NCLT/ or any authorized body regarding transfer of promoter/my rights and liabilities with respect to this project.

I/ We declare that there is no bar, in transfer of the rights and liabilities to a third party, from any of the financial institutions or financiers who have a charge on the project.

I / we further declare that there is no prohibitory order passed by any court of law against transfer of the present project to a third party.

Thanking you

Yours faithfully,

Signature of the authorized representative with Stamp

Date: -

Place:



**Annexure B**

Application under section (15)

(See circular no.C/708/2024, dated 19/10/2024)

**Documents required in case of change of developer**

Sl.no.	Particulars	Details
1.	<b>From Old Promoter</b>	
1	Annual Audit Report on statement of Accounts (Form -7) and Audited Financial statements by Chartered Accountant/ Income Tax Returns for each year since registration of the project.	Please enclose
2.	Brief write up on present status of the project including Physical and Financial progress, details of Encumbrance if any, cumulative receipts/ withdrawals in RERA designated account, Likely Balance project. (enclose Photograph of work done so far)	
3.	Whether all fields like sold and unsold, inventory, Various Activities in works executed and Form-3, Form-2 etc has been updated.	
	<b>From New Promoter</b>	
1.	Pan Card of individual / Firm/ Partners	
2.	Address/ Contact details Email Id etc. /Authorized signatory / Partners	
3.	Details of any MOU /Development agreement with Land owner, if Land owner is other than the promoter.	
4.	New Declaration Form B	
5.	New Architect's Form - 1	
6.	New Engineer's Certificate -2	
7.	New CA certificate Forms -3	
8.	List of New Project Professionals with contact details	
9.	Revised Estimated cost and Time Schedules for balance activities of works (list and time schedules for each activity)	

Name of Promoter  
Sign  
Stamp

Name of Intending  
Purchaser  
Sign  
Stamp

(Contd...7)

**Annexure - C**

Application under Section (15)

(See Circular no.C/708/2024, dated 19/10/2024)

**JOINT DECLARATION**

We\_\_\_\_\_ hereinafter referred to as “the Promoter” and\_\_\_\_\_ hereinafter referred to as “the Intending Promoter” do hereby jointly declare as under: - The promoter has taken up a project which is duly registered with TGRERA bearing Registration No.\_\_\_\_\_.

In accordance with the provisions of Section 4(2) (l) D of the RERA Act, the promoter has opened designated bank account in the \_\_\_\_\_ Bank bearing account no.\_\_\_\_\_.

We hereby declare year wise details of the amounts deposited in the designated account, amounts withdrawn towards the cost of the construction and the land cost and balance supported by bank statement is as under:

<b>Financial Years(From the date of Registration with TG RERA to the date of this application)</b>	<b>AMOUNT DEPOSITED Rs.</b>	<b>WITHDRAWALS Rs.</b>	<b>BALANCE Rs.</b>
20__ to 20__			
20__ to 20__			
20__ to 20__			
20__ to 20__			
TOTAL			

CA Form-3 of above years and bank statement of the designated Account is attached herewith.

This declaration dated \_\_\_\_\_

Name

(Existing Promoter)

Name

(Intending Promoter)