

BEFORE THE TELANGANA ESTATE REGULATORY AUTHORITY

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

SUO – MOTU CASE NO. D/205/2025

of 4th September 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 Bharathi Builders Pvt Ltd

(rep by its Managing Partner, Sri Drupati Nagaraju and Sri Mulpary Siva Rama Krishna, R/oG-1, YVR Sai Brundavanam, Madhavi Nagar Society, Near Bhagya Nagar Colony, Kukatpally)

...PROMOTER/ RESPONDENT

Bharathi's Lake View Apartments

...PROJECT NAME

ORDER

In exercise of the powers conferred under Section 35 of the Real Estate (Regulation and Development) Act, 2016 ("the RE(R&D) Act, 2016"), this Authority proceeds to pass the following order upon consideration of multiple complaints filed by allottees against the Respondent-Promoter, M/s Bharathi Builders Pvt. Ltd., in relation to the project styled as "Bharathi's Lake View Apartments", situated at Kompally Village, Medchal-Malkajgiri District, Telangana.

2. These representations unanimously allege that the Respondent has collected significant sums from over 400 allottees aggregating to approximately ₹70 Crores, without registering the project under Section 3 of the RE(R&D) Act, 2016 and without obtaining requisite statutory approvals such as land title clearance, HMDA layout sanction, building permit, or registration under RERA. Funds were collected between 2019 and 2023 on the pretext of "pre-launch" offers.
3. It is alleged that no physical development has commenced on the site, and that even foundational works remain pending. Despite collection of substantial advances ranging from ₹5 lakhs to over ₹20 lakhs from each allottee, no construction has taken place, no possession has been offered, and no Sale deeds has been executed or registered with any buyer.
4. The particulars of the 18 allottees who have made their representations before this Authority, are detailed in the record of proceedings:

S.no	Name of the petitioner
1.	NannuriBapaiah
2.	Omkar Beera
3.	Kurmi Kavitha
4.	Krushna Kishore
5.	VenkateshwarluYellala
6.	G.Umamaheshwara Rao
7.	A Upender
8.	Avyaktha E
9.	Nagaraja Kumar Raja
10.	Rakesh
11.	Lakshmi Narasimha Swamy Naidu
12.	NaveenrajuAmuda
13.	Srishanthi
14.	Subhash Kumar
15.	Shailender Rao Joshi
16.	TPV Seetha Rama Rao
17.	K. Umamaheshwar
18.	Nasrathlla Shaikh

5. Notice was issued to the Respondent. The Respondent failed to appear on the initial date of hearing (29.04.2025) but appeared on 11.06.2025 to file its reply.

6. In its reply, the Respondent has submitted that the project was initially conceptualized in collaboration with certain landowners. However, at a later stage, the ownership of the project land was directly acquired by the Company, thereby enabling the Respondent to independently pursue development permissions and initiate construction activities.

7. The Respondent has further submitted that an application for development permission was filed with the Hyderabad Metropolitan Development Authority (HMDA) under Application No. 47172/MED/R1/U6/HMDA/2021 in the year 2021. According to the Respondent, due to additional compliance requirements imposed by HMDA, particularly the need to obtain various No Objection Certificates (NOCs), the process experienced certain delays. Consequently, a draft clearance letter was issued by HMDA in 2022, which directed the Respondent to remit an amount of ₹4,72,26,752/- towards development charges. The Respondent states that the first instalment towards this payment was duly paid in compliance with HMDA's directions.

8. It has also been submitted that during the course of the project, certain investors voluntarily chose to withdraw from their commitments. The Respondent claims that refunds were issued to these investors in good faith and without coercion, indicating the Respondent's willingness to resolve such issues amicably and without dispute.

9. The Respondent has additionally disclosed that, in order to raise necessary funds for the continuation of the project, the subject land was mortgaged to one Mr. Sunil Ahuja. However, it is alleged that the said mortgagee, without proper consent or legal authorization, unilaterally registered the project land in his name. This development, the Respondent contends, severely hampered its ability to carry forward project-related activities.

10. It is also brought to the notice of the Authority that an FIR bearing No. 10/2024 was registered by certain aggrieved investors before the Economic Offences Wing (EOW), Cyberabad. Pursuant to this complaint, the project land and associated bank accounts of the Respondent were seized by the investigating authorities, thereby further impeding any possibility of immediate development or refund to the remaining allottees.

11. In view of the above circumstances, the Respondent has pleaded that he be granted a reasonable opportunity to overcome his financial constraints, either to revive the stalled project or, in the alternative, to liquidate the subject land parcel and utilize the sale proceeds for repayment to the affected investors.

Observations of the Authority:

Issue: Whether the Respondent has violated section 3 of the RE(R&D) Act, 2016?

12. The Authority, after a careful and detailed scrutiny of the pleadings, documents, and submissions placed on record, notes with grave concern that the Respondent-Promoter, in his reply, has set out in detail how the project did not take off as envisaged. However, nowhere in his submissions has the Respondent justified his conduct of advertising, marketing, booking, selling, offering for sale, or inviting persons to purchase units in a project which was never registered with this Authority under Section 3 of the Real Estate (Regulation and Development) Act, 2016. The Respondent has not denied the collection of monies but has candidly admitted to having received substantial sums from numerous prospective allottees under a so-called "pre-launch" scheme, all without registration of the project under Section 3 of the RE(R&D) Act and without obtaining the requisite statutory approvals.

13. The Authority further observes that the Respondent entered into MOUs/Agreements of Sale stipulating that the project would be completed within 24 months from the date of HMDA

approval, with a further grace period of six months. This clearly reveals that the Respondent, while collecting monies, had neither applied for nor obtained HMDA permissions. It is also an admitted position that the Agreements of Sale/MoUs were executed prior to the grant of any development permission. The explanation tendered by the Respondent that delays in obtaining HMDA approval were due to requirements of additional NOCs and that certain investors voluntarily withdrew midway cannot absolve the Promoter of his statutory obligations.

14. The Authority notes that the Respondent has failed to establish even a clear and marketable title to the project land, as the same stood encumbered to a third party; further, he was unable to secure HMDA approval due to unspecified reasons. These very circumstances underscore why the legislature prohibited “pre-launch” schemes. Such practices expose allottees to precisely the type of risks now materialized in the present case. The monies of innocent allottees cannot be left at the mercy of such unforeseen contingencies.

15. The very object behind the enactment of the RE(R&D) Act, 2016, was to curb precisely such unregulated, speculative, and opaque “pre-launch” activities which endanger the hard-earned monies of homebuyers and erode their confidence in the real estate sector. The present case illustrates the mischief sought to be remedied by the RE(R&D) Act, 2016.

16. The Respondent now pleads that this Authority show indulgence on “humanitarian grounds” and grant him time. However, such a plea cannot be entertained when the Respondent himself has acted in utter disregard of statutory provisions, collected monies without approvals and registration, and duped hundreds of unsuspecting homebuyers. The absence of a clear land title and mandatory approvals/registration only reaffirms the instability of the project.

17. Section 3 of the RE(R&D) Act categorically stipulates as follows:

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: Provided further that if the Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but with the requisite permission of the local authority, it may, by order, direct the promoter of such project to register with the Authority, and the provisions of this Act or the rules and regulations made thereunder, shall apply to such projects from that stage of registration.

18. The mandate of Section 3 of RE(R&D) Act, 2016 is unambiguous and absolute. No promoter can advertise, market, book, sell or offer for sale, invite persons to purchase in any real estate project without prior registration. It is undisputed that the Respondent collected monies, executed Agreements of Sale/MoUs, and induced allottees to invest even before obtaining HMDA development permission or securing a clear and marketable title. The Respondent, in blatant contravention of this provision, indulged in widespread and aggressive “pre-launch” marketing and sales since 2020, thereby defeating the very purpose of Section 3 of the RE(R&D) Act, 2016.

19. In light of the above, this Authority unequivocally holds that the Respondent has committed deliberate and repeated violations of Sections 3 and 4 of the RE(R&D) Act, 2016. The Respondent’s conduct is condemned in the strongest terms, as it not only contravenes statutory provisions but also undermines public confidence in the real estate sector.

20. Further, the allottee(s) who have submitted representations before this Authority are hereby directed to file a formal complaint in Form ‘M’ under Section 31 of the Real Estate (Regulation and Development) Act, 2016, read with Rule 34 of the Telangana Real Estate (Regulation and Development) Rules, 2017. Such complaints shall be accompanied by all supporting documents.

21. This Authority notes that, subsequent to initiation of the present *Suo-motu* proceedings, multiple Form ‘M’ complaints have already been received against the Respondent in relation to the subject project. Any further violations of the provisions of the Act and Rules, including claims for refund, interest, compensation, or such other reliefs as are admissible under the RE(R&D) Act, 2016 shall be adjudicated in those respective proceedings.

22. The Authority once again strongly cautions the public and all homebuyers against investing in any “pre-launch” schemes or unregistered projects. The general public is advised to verify the RERA registration status of a project prior to making any booking or financial commitment. The Respondent herein is expressly prohibited from carrying out any further marketing, sale, booking, or advertisement in respect of the subject project or any related projects, till further orders.

Directions of the Authority:

23. Accordingly, in exercise of the powers conferred under Section 35 read with Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, this Authority hereby issues the following directions:

- a. The Respondent is restrained from undertaking any further promotional, advertising, booking, or sale activities in respect of the project “Bharathi’s Lake View Apartments” or any other unregistered project, until further orders of this Authority.
- b. For violations of Sections 3 and 4, i.e., for non-registration of the project, the Respondent is liable to penalty under Sections 59 and 60 of the RE(R&D) Act, 2016. The Respondent is accordingly directed to pay a penalty of Rs. 1,18,54,432/- (Rupees One Crore, Eighteen Lakhs, fifty-four Thousand and four hundred thirty-two only) within 30 days, payable in favour of TG RERA Fund through Demand Draft or online transfer to Account No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036.
- c. The Respondent is further informed that failure to comply with these directions shall invite additional penal consequences under Section 63 of the RE(R&D) Act, 2016.

Sd/-
Sri. K. Srinivas 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

