

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

SUO MOTU CASE NO. 1920/2025

Date: 9th 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 GAK Space Solutions Pvt. Ltd.

Rep. by Sri Babu

**Flat No. 309 Aparna Green, Nanakaramguda,
Financial District, Opposite Golfview Apartment,
Hyderabad-500008**

...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 “the RE(R&D) Act, 2016”), upon receiving the information that the M/s GAK Space Solutions Pvt. Ltd. (hereinafter “ the Respondent”), has been advertising, marketing, offering for sale, and inviting prospective purchasers through various social media platforms in respect of its pre-launch projects located at Nanakramguda–Hyderabad, Osman Nagar, and Tellapur–Hyderabad, including the project titled “*Prestige Clairmont*”, without obtaining of the mandatory registration of project from TG RERA under the RE(R&D) Act, 2016.

2. Accordingly, a Show Cause Notice dated 23.06.2025 was issued to the Respondent for contravening Sections 3(1) and 4(1) of the RE(R&D) Act, 2016, directing it to submit a written explanation within seven days from the date of receipt of the show cause notice to explain why penal proceedings under Sections 59 and 60 of the RE(R&D) Act, 2016, should not be initiated against it.

3. In response to the Show cause notice, the Respondent had submitted a reply on 07.07.2025, that the Firm has been operating solely as a real estate marketing agency for the past six years and had not initiated, owned, or promoted any pre-launch projects. The Respondent also submitted that its role is confined to facilitating the sale of existing properties in coordination with registered promoters and property owners.

4. The Respondent submitted that it bears no liability for the specific allegations relating to the Prestige Clairmont project. The Respondent also submitted that two employees of the firm, namely Mr. Konda Srinivas alias Arjun and Ms. Swathi, had independently posted an advertisement for the sale of their personal residential unit measuring 2003 sq. ft., situated in Prestige Clairmont, Neopolis, through the GAK WhatsApp group, without the knowledge, authorisation, or approval of the management. The Respondent submitted that the said posting was made purely in their individual capacity and not in furtherance of any instruction, directive, or business activity of the Firm.

5. The Respondent further submitted that its Real Estate Agent Registration bearing No. A0250000232 had expired on 03.02.2024 and that, this lapse had remained unnoticed due to an internal communication failure. It was only upon receipt of the Show Cause Notice dated 29.06.2025 that the Respondent became aware of the expiry, following which it initiated steps for renewal and subsequently obtained a fresh Real Estate Agent Registration, bearing No. A02500004356, on 22.07.2025.

6. Accordingly, the matter was placed for hearing before this Authority on 31.07.2025, wherein the Respondent was represented by its Sales Team Member, Sri Rasool. During the course of the hearing, the said representative reiterated the very same submissions as contained in the written reply filed in response to the Show Cause Notice. He submitted, inter alia, that the Respondent had not engaged in any unauthorised real estate activities and that the material relied upon by the Authority had been misconstrued. No fresh facts, documents, or clarifications were furnished beyond the assertions already made in the written explanation. The Respondent's representative, therefore, merely reiterated the earlier contentions without producing any substantive evidence to rebut the prima facie violations noted by this Authority or to demonstrate compliance with the statutory mandate under the RE(R&D) Act, 2016. The Authority accordingly proceeded to evaluate the matter based on the available record and the submissions placed on file.

OBSERVATIONS OF THE AUTHORITY:

7. Upon careful consideration of the material placed on record, the written submissions filed by the Respondent, and the oral submissions advanced during the hearing held on 31.07.2025, this Authority observes that the present proceedings arose from information indicating that the Respondent, M/s GAK Space Solutions Pvt. Ltd., had engaged in advertising, marketing, and disseminating promotional content in respect of pre-launch real estate projects situated at

Nanakramguda–Hyderabad, Osman Nagar, and Tellapur–Hyderabad, including the project titled “Prestige Clairmont”. The digital material examined at the stage of issuance of the Show Cause Notice revealed circulation of brochures, electronic invitations, and project-specific representations through social media platforms, inviting expressions of interest from prospective purchasers despite the fact that none of the said projects were registered with this Authority. Such material squarely falls within the ambit of “advertisement” as defined under Section 2(b) of the RE(R&D) Act, 2016, as it constitutes the dissemination of project-related publicity intended to inform the public and invite investment in real estate projects.

8. This Authority observes that the Respondent, in its reply, has attempted to distance itself from the promotional activity by stating that the impugned advertisements were posted by two employees in their “individual capacity” without the knowledge or authorisation of the management. This Authority notes that the said explanation is unsupported by any material whatsoever. No internal circulars, no employee declarations, no administrative instructions, and no record of any internal inquiry have been produced to demonstrate that such conduct was unauthorised or contrary to established internal policy. It is further noted that the promotional messages were disseminated through the WhatsApp group known as the “GAK group”, a platform admittedly associated with the Respondent’s business operations. The Respondent has not explained how a communication channel linked to its commercial activities could have been used for purportedly personal postings by employees. In the absence of any documentary evidence to substantiate its claim, this Authority concludes that the promotional activity is directly connected with the Respondent’s business. Accordingly, this Authority holds that the explanation tendered by the Respondent is untenable and stands rejected. The conduct demonstrated squarely attracts the prohibition under Section 9(1) of the RE(R&D) Act, 2016, which mandates that no Real Estate Agent shall engage in marketing or facilitation activities relating to any real estate project without holding a valid and subsisting registration with this Authority. The statutory text of Section 9 reads as below:

9. Registration of real estate agents. —

(1) No real estate agent shall facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being the part of the real estate project registered under section 3, being sold by the promoter in any planning area, without obtaining registration under this section.

(2) Every real estate agent shall make an application to the Authority for registration in such form, manner, within such time, and accompanied by such fee and documents as may be prescribed.

(3) The Authority shall, within such period, in such manner and upon satisfying itself of the fulfilment of such conditions, as may be prescribed— (a) grant a single registration to the real estate agent for the entire State or Union territory, as the case may be; (b) reject the application for reasons to be recorded in writing, if such application does not conform to the provisions of the Act or this rules or regulations made thereunder: Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard in the matter.

(4) Whereon the completion of the period specified under sub-section (3), if the applicant does not receive any communication about the deficiencies in his application or the rejection of his application, he shall be deemed to have been registered.

(5) Every real estate agent who is registered as per the provisions of this Act or the rules and regulations made thereunder, shall be granted a registration number by the Authority, which shall be quoted by the real estate agent in every sale facilitated by him under this Act.

(6) Every registration shall be valid for such period as may be prescribed, and shall be renewable for a period in such manner and on payment of such fee as may be prescribed.

(7) Where any real estate agent who has been granted registration under this Act commits breach of any of the conditions thereof or any other terms and conditions specified under this Act or any rules or regulations made thereunder, or where the Authority is satisfied that such registration has been secured by the real estate agent through misrepresentation or fraud, the Authority may, without prejudice to any other provisions under this Act, revoke the registration or suspend the same for such period as it thinks fit:

Provided that no such revocation or suspension shall be made by the Authority unless an opportunity of being heard has been given to the real estate agent.

9. This Authority further observes that the Respondent has admitted that its Real Estate Agent Registration bearing No. A02500000232 expired on 03.02.2024, and that it continued its business operations even after such expiry. The Respondent attributes this lapse to an “internal communication error”, but such reasoning cannot absolve a regulated entity from strict compliance with statutory obligations. Section 9(1) of the RE(R&D) Act, 2016, mandates that no real estate agent shall facilitate the sale, purchase, or marketing of any real estate project without holding a valid and subsisting registration. The statutory obligation is continuous and is not contingent upon internal administrative efficiency. Operating without a valid registration is a clear and direct violation of the RE(R&D) Act, 2016, and the explanation furnished is neither mitigating nor legally sustainable.

10. During the hearing on 31.07.2025, the Respondent’s representative merely reiterated the contents of the written reply and failed to place any fresh material before this Authority. No proof was adduced to rebut the prima facie findings recorded in the Show Cause Notice. The promotional brochures, digital messages, and project-specific communications bearing the Respondent’s

branding remain un rebutted. The Respondent did not dispute the circulation of such material but attempted to rely solely upon the fact that its registration was later renewed after issuance of the notice. Compliance undertaken after detection of violation does not cure the breach already committed, nor does it nullify the unauthorised marketing undertaken during the intervening period.

11. This Authority further notes that the Respondent submitted its renewal application only on 22.07.2025, that is, after issuance of the Show Cause Notice dated 29.06.2025. This clearly establishes that the Respondent continued to operate as a real estate agent for a period of more than one year and five months after the expiry of its previous registration on 03.02.2024, without verifying or ensuring the subsistence of its regulatory approval. Such conduct displays a clear disregard for the statutory obligations imposed under the RE(R&D) Act, 2016 and undermines the regulatory framework designed to ensure transparency, accountability, and protection of the interests of prospective buyers.

12. In view of the foregoing, this Authority is of the considered view that the Respondent has operated as a real estate agent without holding a valid and subsisting registration, thereby committing a clear violation of Section 9(1) of the RE(R&D) Act, 2016. Accordingly, the violation of Section 9(1) stands established, and this Authority holds that the Respondent is liable for imposition of penalty under Section 62 of the RE(R&D) Act, 2016.

13. This Authority considers it appropriate to observe that the circumstances arising in the present matter serve as a reminder to all promoters and real estate agents that strict adherence to the provisions of the RE(R&D) Act, 2016, is mandatory. All promoters and real estate agents are required to ensure that no advertisement, marketing material, brochure, digital message or invitation for expression of interest relating to any real estate project is issued unless both the project and the concerned real estate agent are duly registered with this Authority and all statutory disclosures mandated under the RE(R&D) Act, 2016 have been complied with. Any promotional activity undertaken without valid registration, whether directly by the promoter or through its employees, representatives or marketing associates, shall constitute a violation attracting action under the RE(R&D) Act, 2016. Promoters and real estate agents are therefore expected to maintain effective internal systems to prevent unauthorised dissemination of project-related information and

to ensure that all activities are carried out strictly in conformity with the statutory framework governing real estate regulation.

DIRECTIONS OF THE AUTHORITY:

14. 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 holds that the Respondent, M/s GAK Group Ltd., represented by Sri A. Babu, has violated Section 9(1) by operating as a real estate agent without valid registration and is therefore liable for penalty under Section 62 of the RE(R&D) Act, 2016. Accordingly, a penalty of Rs.20,00,000 (Rupees Twenty Lakhs only) is imposed upon the Respondent, with a direction to remit the said amount within 30 days in favour of the TGRERA Fund through Demand Draft or online payment to Account No. 50100595798191, HDFC Bank, IFSC Code HDFC0007036.

15. The Respondent is hereby informed that failure to comply with the directions issued herein shall attract further penal consequences under Section 65 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