

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 347 of 2025

22nd June, 2026

Corum: **Sri Laxmi Narayana Jannu, Hon'ble Member**
Sri K. Srinivasa Rao, Hon'ble Member

Between:

Panuganti Satish Kumar

*(H.No. 2-517-401, Sai Paradise, Balaji Complex,
Nandyal, Kurnool, Andhra Pradesh 518501)*

...Complainant

Versus

M/s Maharshi's Estates Pvt. Ltd.,

Rep by its Managing Director, Mahesh Babu Bhutkuri
*(Balwant Towers 4th floor Pillar no 142 Attapur
Rajendra Nagar, Telangana 500048)*

...Respondent

The present matter filed by the Complainant herein came up for final hearing on 17.03.2026 before this Authority. None present on behalf of the Complainant or the Respondent. On perusal of the case record and taking into consideration of the material available on record this Authority passes the following **ORDER:**

2. This Complaint has been filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the "RE (R&D) Act"), read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 and Regulation framed thereunder (hereinafter referred to as the "TG RE (R&D) Rules"), seeking appropriate relief(s) against the Respondent in accordance with the provisions of the RE (R&D) Act, 2016.

3. The Complainant has submitted that he has entered into Agreement of sale dated 20.01.2024 for the purchase of plot No. 24 in the project named "Maharishi's Smart City" situated at Rangapur Village, Nandigama Mandal, Ranga Reddy District, Telangana by paying of an advance amount of Rs. 10,00,000/- . As per the agreement the Respondent was suppose to have completed the registration of the said plot within 45 days. However, till

10.04.2025 the Respondent did not fulfil its obligation and there by violated in terms of the agreement. As an attempt to pacify him the Respondent issued two cheques drawn on ICICI Bank, Raidurgam branch dated 12.11.2022 each for Rs. 5,24,000/-. However, both cheques on presentation were dishonoured for the reason insufficient funds. After that the Respondent consistently avoided communication with him. Hence, the complaint praying for refund of the amount paid by him in terms of the provisions of the Section 18(1) of RE (R&D) Act, 2016.

3. The matter was listed for hearing on 16.7.2025. On the said date the Complainant made appearance virtually. The Respondent remained absent without any representation. At the request of the Complainant notice was again ordered against the Respondent. Show cause notices was also ordered to be issued against the Respondent on noticing that it (Respondent) appeared to have violated the provisions of Sections 3 & 4 of the RE(R&D) Act, 2016 and the case was posted to 09.09.2025. On that day Complainant remind absent. On behalf of Respondent the learned counsel Sri. G. Mahender, Advocate present and filed vakalath and sought time for filing of counter. Accordingly, the case was posted to 10.10.2025. On that day, Complainant was present but the respondent called absent and there was no representation on its (Respondent) behalf. At request, the case was posted to 13.11.2025. On that day also both the parties remained absent and no representation on their behalf. The case was again posted to 12.12.2025. From that date the case under went several adjournments from time to time till 17.03.2026. On that date also both the parties again remained absent and there were no representation on their behalf.

4. While so, a perusal of case record reveals that even after service of Show Cause Notice dated 11.08.2025/09.09.2025 as can be gathered from postal acknowledgment card, except filing of vakalath by the above said learned counsel no reply has been filed in obedience of said show cause notice on behalf of the Respondents. Failure on part of Respondent to submit any explanation or reply/counter in response to the show cause notice and so also the Agreement of sale date 20.01.2024 executed by the Respondent Represented by its Managing Director Sri. B. Mahesh Babu in favour of the Complainant herein Mr. P. Satish Kumar, gives suggests and confirms that the Respondent has been advertising/marketing/offer for sale and inviting persons to purchase units, in the above said Respondents project titled "Maharshi Smart City" situated at Rangapur village, Nandigama Mandal of Ranga Reddy District. Further, even upon verification of information available on

the website of TG RERA, the said project has not been registered with TG RERA and no application was filed by the Respondent for getting registration of the project. Thus, it is crystal clear that the Promoter/Respondent contravened the provisions of Sections 3(1) and 4(1) of the RE(R&D) Act, 2016 which is punishable under section 59 and 60 of RE(R&D) Act, 2016.

5. Section 3(1) of the RE (R&D) Act explicitly prohibits any promoter from advertising, marketing, booking, selling, or offering for sale any plot, apartment or building in a real estate project without first registering the project with the Real Estate Regulatory Authority. In the present case, the Agreement of Sale referred herein above available on record and payment receipts and bank statements clearly establish that the Respondent undertook financial transactions and executed binding agreement with the Complainant for allotment of specific plot, prior to obtaining mandatory registration. The receipt of substantial sums of money from the Complainant and the execution of agreement indicate intention to allot a particular plot demonstrate beyond doubt that the Respondent had commenced activities falling within the ambit of Section 3 of RE (R&D) Act, 2016. It is pertinent to note that the RE (R&D) Act places an unambiguous obligation upon the promoter to obtain prior registration before accepting any form of consideration or entering into any agreement for sale. The regulatory mandate under Section 3(1) of the RE (R&D) Act, is strict and non-derogable.

6. Furthermore, Section 4(1) of the RE (R&D) Act requires every promoter to submit an application for registration in the prescribed form and manner before initiating any transaction or communication with prospective buyers. As pointed out earlier, there is no material on record to indicate that the Respondent had ever submitted such an application to this Authority. On the contrary, the Respondent proceeded to collect the sale consideration amounts and executed formal document of Agreement of Sale without any effort to comply with the statutory requirement of registration or even obtain necessary approvals from competent Authority.

7. The Respondent's conduct, as revealed through the document available on record, indicates a conscious engagement in financial transactions with the Complainant without first securing statutory registration or necessary approvals. This conduct is not merely technical in nature but strikes at the very foundation of the protective mechanism envisaged under the

RE(R&D) Act for safeguarding the interests of homebuyers. The execution of a Agreement of Sale and the collection of sale consideration amount.

8. The relevant portion of Section 3(1) of the RE (R&D) Act is extracted below for reference:

“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.”

9. Having regard to the foregoing findings, this Authority is of the view that the Respondent has clearly contravened both Section 3(1) and Section 4(1) of the RE (R&D) Act. As a direct consequence of such violations, the Respondent is liable for penalty under the penal provisions laid down in the Act. In particular:

Section 59(1) provides that: “If any promoter contravenes the provisions of Section 3, he shall be liable to a penalty which may extend up to ten per cent of the estimated cost of the real estate project as determined by the Authority.” (Section 59(1))

Section 60 further provides that:

“If any promoter provides false information or contravenes the provisions of Section 4, he shall be liable to a penalty which may extend up to five per cent of the estimated cost of the real estate project as determined by the Authority.” (Section 60)

10. In light of the above, this Authority concludes that the Respondent’s conduct constitutes a serious and wilful breach of the RE (R&D) Act. The Respondent proceeded to advertise, negotiate, and execute Agreement of Sale as well as collect substantial consideration from the Complainant in respect of an unregistered project, in total disregard of the statutory framework. These actions not only amount to regulatory violations but also undermine the very objectives of the RE (R&D) Act to ensure transparency, accountability, and protection of the rights of allottees.

11. Accordingly, It is held that the Respondent has violated Sections 3 and 4 of the RE (R&D) Act, 2016, by marketing, offering for sale, and executing transaction document in relation to the unregistered project “Maharshi Smart City” The Respondent is, therefore, held to be liable for penalty under Sections 59 and 60 of the RE (R&D) Act, and as such the Authority is contemplation to initiate appropriate action for imposition of such penalty in accordance with law. Therefore, The Secretary, Telangana RERA, is directed to initiate proceedings under Sections 59 and 60 of the RE (R&D) Act, 2016 for imposition of appropriate penalty against the Respondent subject to the approval of this Authority, within a period of thirty (30) days from the date of this Order.

12. Further coming to the Complainant and the complaint filed by him, as is evident from the record of the case despite being aware of the scheduled hearings having been appeared before this Authority on 05.08.2025 virtually and thereafter on 10.10.2025 physically on service of notice, the Complainant has subsequent from 13.11.2025 onwards from time to time till last date of hearing on 17.03.2026 failed to appear before this Authority virtually or physically and also failed to take any steps toward prosecuting the matter. The repeated non-appearance, without explanation, despite being afforded multiple opportunities, indicates a clear lack of interest and diligence on the part of the Complainant.

13. In view of the above factual circumstances and in the interest of judicial discipline and fairness, this Authority is of the considered opinion that adequate and reasonable opportunities have already been extended to the Complainant, no purpose will be served even if the matter is kept pending indefinitely.

14. Accordingly, the complaint is dismissed for non-prosecution.

Sd/-

**Sri. K. Srinivasa Rao,
Hon’ble Member
TG RERA**

Sd/-

**Sri. Laxmi Narayana Jannu,
Hon’ble Member
TG RERA**