

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

SUO MOTU CASE NO. 3037/2025

Date: 22nd June 2026

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

1. Venkat Rao Marpina,
H.No: 1-62/K/84, 3rd Floor,
Beside Dwaraka Summit Building,
Kavuri Hills Road, CBI Colony, Jubilee Hills,
Madhapur, Hyderabad, Telangana 500033.

2. Shaik Shabava,
H.No: 1-62/K/84, 3rd Floor,
Beside Dwaraka Summit Building,
Kavuri Hills Road, CBI Colony, Jubilee Hills,
Madhapur, Hyderabad, Telangana 500033

3. Srinivas Gupta Narayana,
H.No: 57-8, Upstairs, Narayana Nilayam,
Old Municipal Office Road, Fort Kurnool,
Kurnool, Andhra Pradesh 518001.

4. Nukala Balakrishna,
H.No: 17-40, Shankar Ganj, Wanaparthi,
Savaigudem, Mahabubnagar, Telangana 509103.

5. Pepalla Satish Kumar,
H.No: 8-3-720/6-1, Salivahana Nagar,
Near HP Gas Godown, Srinagar Colony,
Khairatabad, Hyderabad, Telangana 500073.

...Respondent(s)

Birds of Paradise

...Project Name

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"), pursuant to the information and material placed before this Authority in Complaint No. 217 of 2024 filed by Sri Yogesh Sadula, concerning the real estate project titled "Bird of Paradise" situated at Sy. Nos. 115/P, 115/B/A, 115/AA and 115/AA, Peddathopra Village, Shamshabad Mandal, Ranga Reddy District.

2. The complainant submitted that he had booked Plot No. 28 in the above-mentioned project and paid an amount of ₹26,00,000/- out of the total sale consideration of ₹34,00,000/-. It was further submitted that, as per the Agreement of Sale, the plot was required to be registered within the stipulated timeline; however, the respondents failed to execute the registration in his favour. Further, in the complaint filed under Form-M, this Authority has passed an order directing that the Respondent No.1 is hereby directed to refund the total sale consideration amount of ₹26,00,000/- (Rupees Twenty-Six Lakhs Only) received from the Complainant.

3. Upon scrutiny of the complaint and verification of records available with this Authority, it was observed that the project “Bird of Paradise” was not registered with this Authority as mandated under Sections 3(1) and 4(1) of the RE(R&D) Act, 2016. In view of the same, this Authority, vide docket order dated 23.07.2025, directed initiation of necessary action under the provisions of the RE(R&D) Act, 2016 and the Rules made thereunder. Accordingly, this Authority issued a Show Cause Notice directing the respondents to submit an explanation for undertaking sale transactions in an unregistered project and the matter was posted for hearing.

4. Subsequently, the case was posted to 31.07.2025. Prior to the scheduled hearing, Respondents No. 3 to 5 filed a letter dated 30.07.2025 before this Authority, submitting that they had obtained layout approval from the Hyderabad Metropolitan Development Authority (HMDA) for the said project. They also submitted that certain plot transfers were initiated to facilitate financial arrangements and streamline the execution of the project. The Respondents assured that they are committed to registering the project under RERA and complying with all applicable provisions of the RE(R&D) Act, 2016, and requested the Authority to take note of their intention to obtain registration.

5. During the hearing held on 31.07.2025, Respondent No. 1 and Respondent No. 5 appeared before the Authority. Respondent No. 1 submitted that he would refund the amount collected from the complainant on or before 30.08.2025. Respondent No. 5 submitted that necessary steps would be taken to register the project “Bird of Paradise.” Recording the submissions made, the Authority adjourned the matter to 03.09.2025 for further proceedings.

6. On 03.09.2025, counsel for Respondent No. 1 appeared and filed vakalat. The counsel submitted that she is also representing Respondent No. 2; however, no vakalat was filed on behalf of Respondent No. 2. Respondents No. 3 to 5 were present before the Authority. During the course of the hearing, it was submitted on behalf of Respondent No. 1 that he is neither the

promoter nor the developer of the project, and that he had acted only in the capacity of an agent. It was further submitted that the ownership and development rights in the project vest with Respondents No. 3 to 5 and that Respondent No. 1 has no right, title, or interest in the project. On the same date, Respondents No. 3 to 5 submitted an additional letter stating that they are not involved in the collection of funds from the complainant and that their names had been included inadvertently in relation to the financial transactions. They requested this Authority to remove their names from proceedings pertaining to the collection of monies.

7. Also, this Authority directed issuance of Show Cause Notices to Respondent No. 1 for violation of Sections 3(1) and 4(1) of the RE(R&D) Act, 2016 and also under Sections 9 and 10 of the RE(R&D) Act, 2016, for facilitating sale transactions without obtaining registration as a Real Estate Agent. The matter was thereafter posted to 30.09.2025; however, the hearing did not take place on the said date, and the case was subsequently posted to 17.10.2025.

8. On 17.10.2025, counsel for Respondent No. 1 appeared before the Authority and submitted replies to the Show Cause Notices issued under Sections 3 & 4 and Section 9 of the RE(R&D) Act, 2016. In the reply to the Show Cause Notice issued for violation of Sections 3(1) and 4(1) of the RE(R&D) Act, 2016, Respondent No. 1 submitted that he is neither the promoter nor the developer of the project “Bird of Paradise” and does not hold any ownership, title, or development rights in the said project. It was submitted that the ownership structure of the project is reflected in a Registered Partition Deed dated 14.09.2022 executed between M/s Lotus Properties and other landowners, and that Respondent No. 1 is not a party to the said deed.

9. The Respondent No.1 further submitted that a Memorandum of Understanding dated 28.12.2021 was entered into between Brighu Infra Private Limited and certain landowners for the development of the project; however, the said arrangement did not materialize due to initiation of Corporate Insolvency Resolution Process and subsequent liquidation of Brighu Infra Private Limited by orders of the Hon’ble National Company Law Tribunal, Hyderabad Bench. It was therefore submitted that no promoter capacity accrued to Respondent No. 1. The Respondent submitted that no advertisement, marketing, or public offering of the project was undertaken by him and that the Agreement of Sale executed with the complainant was entered into under personal circumstances and not in the capacity of a promoter.

10. In the reply to the Show Cause Notice issued for violation of Section 9 of the RE(R&D) Act, 2016, Respondent No. 1 submitted that Section 9 of the RE(R&D) Act, 2016, is attracted

only in respect of projects registered under Section 3 of the RE(R&D) Act, 2016. Since the project itself is unregistered, invocation of Section 9 was stated to be legally untenable. The respondent reiterated that he has neither acted as a promoter nor facilitated sale transactions as a real estate agent in the said project. It was further submitted that an amount of ₹14,00,000/- received from the complainant is being offered for refund and that the respondent has expressed willingness to resolve the matter.

Observations of the Authority:

11. The Authority has considered the docket order dated 23.07.2025, the Show Cause Notices issued from time to time, the replies filed by Respondent No.1, the letters submitted by Respondents No.3 to 5, the Real Estate Agent Registration Certificate of Brighu Infra Private Limited, the Authorization Letter dated 09.01.2019, the orders passed by the Hon'ble National Company Law Tribunal initiating Corporate Insolvency Resolution Process, the submissions made by the learned counsel for Respondent No.1, and such other material placed on record. Upon a comprehensive examination of the record, this Authority finds that the project titled "Bird of Paradise," situated at Sy. Nos.115/P, 115/B/A, 115/AA and 115/AA, Peddathopra Village, Shamshabad Mandal, Ranga Reddy District, is neither registered with this Authority nor had any application for registration been submitted at the time when plots were offered for sale, agreements were executed, and substantial monies were collected from the complainant.

12. The material available on record demonstrates that the subject land had been subdivided into plotted layouts after obtaining approval from the Hyderabad Metropolitan Development Authority and that plot transfers had been initiated, purportedly for financial arrangements and project execution. Such conduct bears all the essential attributes of a "real estate project" within the meaning of Section 2(zn) of the RE(R&D) Act, 2016. Once land is developed into plots and held out for sale to the public, the statutory obligation to obtain prior registration under Section 3 of the RE(R&D) Act, 2016, becomes absolute. The legislative mandate is unequivocal that no promoter shall advertise, market, book, sell, or invite persons to purchase any plot in a real estate project without registration.

13. The submissions of Respondents No.3 to 5 that they intended to register the project and comply with the statutory regime do not absolve them of liability. An expression of future intent cannot legitimise past illegality. The execution of the Agreement of Sale dated 05.12.2022 and the admitted receipt of consideration clearly establish that the project was actively transacted despite the absence of registration.

14. The Authority is therefore of the considered view that Respondents No.3 to 5 squarely fall under the statutory description of “promoter” under Section 2(zk) of the RE(R&D) Act, 2016. By permitting the development of land into plotted layouts, facilitating execution of agreements, and allowing the project to be offered for sale without registration, they have engaged in a deliberate contravention of Sections 3(1) and 4(1) of the RE(R&D) Act, 2016.

15. The Authority also notes that the role played by Respondent No.1, Sri Venkat Rao Marpina, in the execution of the Agreement of Sale dated 05.12.2022 in favour of the complainant and collected consideration in respect of Plot No.28, despite admittedly not holding any ownership, title, or developmental rights over the said property. By representing himself as competent to transact in respect of property owned by others, Respondent No.1 assumed the role of Real estate agent and facilitated the sale transaction.

16. Respondent No.1 has sought to rely upon the registration granted to Brighu Infra Private Limited as a real estate agent. However, a plain reading of the Registration Certificate reveals a categorical statutory condition that a real estate agent shall not facilitate the sale or purchase of any plot in a project which is required to be registered but is not so registered with the Authority. The project “Bird of Paradise” was admittedly unregistered. Therefore, even assuming the existence of a valid agent registration, the facilitation of sale in such a project is expressly prohibited.

17. The Authorization Letter dated 09.01.2019 relied upon by Respondent No.1 pertains to an entirely unrelated project titled “Fortune Paradise” and does not confer any authority whatsoever in respect of the project “Bird of Paradise.” The reliance placed upon the said document is, therefore, wholly misplaced and appears to be an attempt to create a semblance of legitimacy where none exists.

18. The defence advanced by Respondent No.1 that Section 9 is inapplicable because the project itself was unregistered is fundamentally misconceived. The statutory scheme does not permit a real estate agent to operate in a regulatory vacuum. On the contrary, the prohibition is designed precisely to prevent agents from facilitating transactions in unregistered projects. The submission that the Agreement of Sale was executed due to personal pressure or harassment is equally untenable. Statutory obligations cannot be diluted by private arrangements or personal exigencies.

19. The Authority further observes that the transaction was undertaken by Sri Venkat Rao Marpina in his individual capacity, and not by a legally functioning corporate entity. The violation is therefore personal, direct, and attributable to him. By executing the Agreement of Sale, collecting monies, and holding himself out as competent to transact, Respondent No.1

engaged in conduct that had the effect of misleading the purchaser and undermining the safeguards envisioned under the RE(R&D) Act, 2016.

20. Therefore, the Authority finds that Respondents No.3 to 5, being landowners and beneficiaries of the development, have committed material and continuing violations of Sections 3 and 4 of the RE(R&D) Act, 2016, by promoting and permitting the sale of plots in an unregistered real estate project. The Authority further finds that Respondent No.1 has facilitated the sale of a plot and collected consideration without lawful authority and in contravention of the statutory prohibition contained under Section 9 of the RE(R&D) Act, 2016.

21. Having regard to the nature, gravity, and consequences of the contraventions, this Authority holds that the violations are grave, wilful, and demonstrative of a deliberate attempt to circumvent the statutory framework. Such conduct attracts penal consequences under Section 59 of the RE(R&D) Act in respect of Respondents No.3 to 5, and under Section 62 in respect of Respondent No.1, who is held personally liable for facilitating an unlawful real estate transaction in breach of the mandatory provisions of the RE(R&D) Act, 2016.

Directions of the Authority:

22. In light of the foregoing observations and findings, and in exercise of the powers conferred under Sections 35, 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, this Authority hereby issues the following directions:

- a) For violation of Sections 3 and 4 of the RE(R&D) Act, 2016, i.e., for undertaking promotion, development, marketing, booking and sale of the plotted layout project titled “Bird of Paradise” without obtaining mandatory registration from this Authority, Respondents No.3 to 5, being the landowners and persons exercising control over the development of the said project, are liable for penalty under Sections 59 and 60 of the RE(R&D) Act, 2016. Accordingly, a penalty of Rs. 12,70,400/- (Rupees Twelve Lakhs Seventy Thousand Four Hundred only) is hereby imposed upon Respondents No.3 to 5 jointly and severally, and they are directed to remit the said penalty amount within thirty (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) For violation of Section 9 of the RE(R&D) Act, 2016, i.e., for acting as a real estate intermediary and facilitating a sale transaction in an unregistered real estate project without possessing valid registration and without lawful authority, Respondent No.1 is liable for penalty under Section 62 of the RE(R&D) Act, 2016. Accordingly, a penalty

of Rs. 8,46,960/- (Rupees Eight Lakhs Forty-Six Thousand Nine Hundred and Sixty only) is hereby imposed upon Respondent No.1, and he is directed to remit the said penalty amount within thirty (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.

- c) Respondents No.3 to 5 are hereby directed to forthwith cease and desist from advertising, marketing, promoting, offering for sale, booking, allotting, executing agreements, or inviting persons to purchase plots in the project “Bird of Paradise,” situated at Sy. Nos.115/P, 115/B/A, 115/AA and 115/AAA, Peddathopra Village, Shamshabad Mandal, Ranga Reddy District, unless and until the said project is duly registered with this Authority in strict compliance with Sections 3 and 4 of the RE(R&D) Act, 2016.
- d) Respondent No.1 is hereby directed to immediately cease and desist from facilitating, negotiating, advertising, offering for sale, collecting monies, or otherwise participating in any transaction relating to the project “Bird of Paradise” or any other real estate project which is required to be registered under the RE(R&D) Act, 2016 but remains unregistered. Respondent No.1 shall not act or represent himself as a promoter, agent, or authorised person in respect of any real estate project unless duly authorised and registered in accordance with law.
- e) Respondents No.3 to 5 shall, within thirty (30) days from the date of receipt of this Order, either initiate and complete the process of registration of the project “Bird of Paradise” in strict conformity with the provisions of the RE(R&D) Act, 2016, and the Rules made thereunder or, in the alternative, immediately halt all project-related activities and refrain from dealing with the plots in any manner whatsoever, including collection of monies from prospective purchasers, until full statutory compliance is achieved.
- f) The Respondents are hereby informed that failure to comply with the directions issued herein shall attract further penal consequences under Sections 63 and 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