

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Date: 22nd June, 2026

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

Complaint No. 206/2025/TG RERA

Chinthakindi Chakrapani

(R/o H.No. 12-1-279/1, Anand Nagar Colony, Road No. 2,
Bandlaguda, Nagole, Hyderabad - 500068.)

...Complainant

Versus

M/s. Gopi Krishna Infra & Developers, Rep by its Partners

1. **Sri Tati Upendranath**
2. **Malgireddy Yugandar Reddy**
(Office at H.No. 5-5-140/1, 2nd Floor, Vanasthali Hills,
Saheb Nagar, Opp. Mangalya Shopping Mall,
Vanasthalipuram, Hyderabad - 500070.)
3. **Mr. Parashuram (Real Estate Agent - Impleaded Respondent No. 3)**
(Office at H.No. 5-5-140/1, 2nd Floor, Vanasthali Hills,
Saheb Nagar, Opp. Mangalya Shopping Mall,
Vanasthalipuram, Hyderabad - 500070.)

...Respondents

The present matter, filed by the Complainant, came up for hearing before this Authority in the presence of the Complainant and Respondent. After hearing the submissions of both parties, this Authority now proceeds to pass the following **ORDER:**

2. The present Complaint have been filed by the Complainant under Section 31 of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as the "Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules") seeking appropriate reliefs against the Respondents.

A. Brief Facts of the Case as per Form M submitted by the Complainant:

3. It was submitted by the Complainant that an investment was made in a venture named "GK Renuka Highway City," situated at D. Nagaram Village, Choutuppal Mandal, Yadadri Bhuvanagiri District, Telangana State. The said investment pertained to 12 plots, specifically

Plot Nos. 321 to 326 and 327 to 332, covering a total extent of 2564 Sq. Yards, located in Survey Nos. 58, 59, 474, 475, 486, 488, 490, and 491.

4. It was stated that a real estate broker named Mr. Parasuram approached the Complainant for this investment. The said broker proposed that the Complainant book the 12 plots by paying an advance of Rs. 1 Lakh per plot. The Complainant was assured by the broker that he would sell the aforementioned plots to third parties within a period of six months and subsequently clear the dues of Rs. 12 Lakhs along with goodwill.

5. It was averred that the broker, Mr. Parasuram, failed to sell the plots to others as promised. Furthermore, it was alleged that the broker colluded with the venture promoters and deliberately avoided paying the amount back to the Complainant. Consequently, the Complainant approached the promoter, Mr. T. Upendranath, regarding the said issue. However, the promoter stated that he would settle the issue only if the Complainant brought the broker, Mr. Parasuram, along with them. It was submitted that Mr. Parasuram had been avoiding meeting the Complainant personally and had been absconding for 18 months. Although this information regarding the absconding broker was duly conveyed to the promoter, Mr. T. Upendranath, he remained unresponsive. Moreover, it was alleged that the promoter and the broker were instead creating further problems for the Complainant.

6. The Complainant brought to the Authority's attention their severe personal circumstances, submitting that they had been a heart patient for the past 7 years and that their health was currently worsening. It was specifically placed on record that the Complainant had arranged the funds for this investment by utilizing their son's overdraft account at the State Bank of India (SBI), Gun Foundry branch. In light of these financial hardships and deteriorating health conditions caused by the actions of the broker and the promoter, the Complainant earnestly prayed for the matter to be looked into and for justice to be rendered.

B. Relief(s) Sought

7. Accordingly, the Complainant sought the following relief:

- i. *Refund of ₹12,00,000/- with interest, as the amount is paid by taking the complainant's son's overdraft account, which attracts huge interest.*

C. Counter filed by Respondents 1 and 2

8. The Respondents submitted that they were developing the venture namely “GK’s Renuka Highway City”. It was submitted that the complainant, Mr. Chinthakindi Chakrapani, along with Mr. Parasuram, came to their office and gave an advance of ₹12 lakhs to hold the 12 plots at a lower price, with an understanding that the said plots would be sold by them to third parties within six months. Based on this, an agreement was executed in favour of the complainant, and the 12 plots, worth ₹3 crores, were kept on hold. The Respondents had approached both of them several times to sell the plots and clear the balance payment, but they did not respond or sell even a single plot. The Respondents were also not given the opportunity to sell the plots to third parties during the six-month holding period.

9. The Respondents submitted that they had suffered losses of ₹3 crores, including interest, due to the failure of Mr. Chakrapani and Mr. Parasuram to complete the sale. They also stated that Mr. Parasuram had taken some advance money from them for marketing and advertising but failed to deliver any sales. It was submitted that both Mr. Chakrapani and Mr. Parasuram had completely failed in their sales commitment and agreement, and that the deal was cancelled as per the agreement. The Respondents stated that they were cheated and had incurred significant interest loss.

10. The Respondents requested that the Authority release their ₹3 crores interest amount from Mr. Chakrapani and Mr. Parasuram.

D. Rejoinder filed by Complainant

11. The complainant stated that in November 2022, he was approached by a real estate broker, Mr. Parasuram, acting on behalf of M/s. Gopi Krishna Infra & Developers, regarding an investment opportunity in their venture “GK Renuka Highway City,” situated at D. Nagaram Village, Choutuppal Mandal, Yadadri-Bhuvanagiri District. On being introduced to the partners of the Respondent Company, namely Tati Upendranath and Malgireddy Yugandar Reddy, he was assured that they were the sole owners and peaceful possessors of the plots in Survey Nos. 58, 59, 474, 475, 486, 488, 490, and 491, admeasuring 2564 square yards, comprising Plot Nos. 321 to 326 and 327 to 332, and that the venture had all required permissions and approvals from HMDA.

12. The complainant submitted that, relying on the assurances and representations made by the respondents, he agreed to invest in the said project by booking twelve plots, paying an

advance of ₹1,00,000/- for each plot, thereby totalling ₹12,00,000/-. The respondents further promised that in the event the complainant was not interested in proceeding with the purchase, they would arrange for the sale of the said plots to other buyers within six months and refund the entire amount paid, along with goodwill. Pursuant to this understanding, and at the request of the respondents, the complainant entered into an Agreement of Sale dated 13.12.2022, agreeing to purchase the property for a total consideration of ₹2,97,42,400/-. Towards part sale consideration, the complainant paid an advance amount of ₹10,00,000/- through SBI Bank vide Cheque No. 381310 and ₹2,00,000/- through SBI Bank vide Cheque No. 381311, making up the total sum of ₹12,00,000/-. The respondents duly admitted and acknowledged the receipt of this amount and executed the Agreement of Sale accordingly.

13. However, upon verification with concerned authorities, the complainant discovered that the venture neither had HMDA permission nor complied with the rules and regulations under the Real Estate (Regulation and Development) Act, 2016. On raising these issues with the broker and the partners of the respondent company, the matter was repeatedly postponed, and repayment of the advance was avoided for nearly two years. The complainant, who was a heart patient and had raised the invested sum by taking an overdraft from his son's bank account, submitted that this had caused him severe financial and personal hardship.

14. The complainant denied all averments made in the respondents' counter, terming them false, baseless, and filed without any supporting documentary evidence. He asserted that the respondents were deliberately evading their liability to refund the advance. Accordingly, in the interest of justice, the complainant prayed for an award directing the respondents to refund ₹12,00,000/- with interest at 24% per annum from the date of execution of the Agreement of Sale, i.e., 13.12.2022, until realization, failing which he would suffer grave and irreparable loss.

E. Reply to Show Cause Notice issued u/s 3 and 4 by the Respondents 1 and 2

15. The Respondent, M/s. Gopikrishna Infra & Developers, represented by its partners Sri Tati Upendranath and Sri Malgireddy Yugandar Reddy, submitted a reply to the Show Cause Notice dated 14.10.2025 issued in relation to the allegation of accepting an advance amount prior to obtaining RERA registration for the project "GK Renuka Highway City." The Respondent acknowledged receipt of the Show Cause Notice, expressed respect for the provisions of the Real Estate (Regulation and Development) Act, 2016, and assured full cooperation with the Authority.

16. The Respondent contended that the amount of Rs.12,00,000/- received on 13.12.2023 from Mr. Chinthakindi Chakrapani was not collected as a booking amount or advance towards sale of any plot or unit. According to the Respondent, the said amount was only an expression of interest or intent, and Mr. Chinthakindi Chakrapani was stated to be a real estate agent and not a customer. It was submitted that the amount was paid with a request to hold twelve plots so that the said agent could sell them after the project obtained RERA registration, and that no plot registration or sale transaction was undertaken prior to RERA registration.

17. The Respondent further submitted that the project in question was their first approval project and that there was no intention to violate the provisions of the Act. The Respondent characterised the lapse, if any, as unintentional, expressed regret for the same, and stated that corrective steps had been taken to ensure future compliance. The Respondent undertook to strictly adhere to all RERA requirements going forward, including obtaining registration before accepting any advances or promoting the project, and prayed that the Show Cause Notice be disposed of in view of the explanation offered.

F. Reply to Show Cause Notice issued u/s 9 by the Complainant

18. The Complainant submitted his reply to the Show Cause Notice dated 14.10.2025 issued under Section 9 of the Act, alleging that he advertised, offered, or sold plots in the project “GK RENUKA HIGHWAY CITY” without registration as a real estate agent. He stated that Mr. Parasuram, a Real Estate Agent and employee of the Respondent Company, approached him in November 2022 for investment in the venture in Sy. Nos. 58, 59, 474, 475, 486, 488, 490, 491 to an extent of 2564 sq. yds., Plot Nos. 321 to 326 and 327 to 332 (12 plots) of “GK RENUKA HIGHWAY CITY” at D. Nagaram Village.

19. He further submitted that he did not know whether Mr. Parasuram was a registered Agent before TGRERA and had no knowledge that a Real Estate Agent must be registered before TGRERA. He stated that it was the duty of the Respondent Company to appoint registered agents as per the Act and that RERA was a special law created to regulate the real estate sector and protect homebuyers.

20. He submitted that Mr. Parasuram approached him as Employee-cum-Agent having good relations with the partners of the Respondent Company and showed him an Agreement of Sale dated 28-11-2022 executed by the Respondents in favour of B. Jagadeeswara Reddy and M. Anil Reddy. He stated that an amount of Rs. 50,00,000/- was taken/given as

advance/part sale consideration through cheque and online transfers, and the Respondents received the same.

21. Believing the said document, he approached the Respondent Company at their office, where they stated that they were the sole and absolute owners and peaceful possessors of the HMDA plots in the above survey numbers and that the venture had all permissions and sanction plans including HMDA permission. Relying on their words, he booked all 12 plots by giving Rs. 12,00,000/- as advance. The Respondents also promised that if he was not interested, they would sell the plots to others within six months and clear the amount along with goodwill. As requested by the Respondents, he entered into an Agreement of Sale on 13-12-2022 for a total sale consideration of Rs. 2,97,42,400/- and paid Rs. 12,00,000/-, which was acknowledged by the Respondents.

22. He submitted that after entering the Agreement of Sale, he enquired with concerned authorities and learnt that the venture did not have HMDA permission and that the Respondents did not follow the Rules and Regulations of the RERA Act. He approached Parasuram and the partners of the Respondent Company, Tati Upendranath and Malgireddy Yugandar Reddy, but they postponed the matter for two years to avoid returning the advance amount of Rs. 12,00,000/-.

23. He further submitted that upon his request, the Respondents prepared two cheques in his name: cheque No. 000383 for Rs. 3,00,000/- dated 25-05-2024 and cheque No. 000384 for Rs. 3,50,000/- dated 15-06-2024, drawn on ICICI Bank. Photos of the cheques were sent to him on WhatsApp, but the Respondents did not hand over the cheques.

24. He submitted that as per the Agreement of Sale dated 13-12-2022, the Respondents allotted Plot No. 321 to him, but on enquiry, he came to know that the Respondents had already allotted Plot No. 321 to HMDA by way of Mortgage without Possession for market value Rs. 42,00,000/- vide Document No. 9293/2022 at SRO Choutuppal on 13-12-2022. He submitted that they were not doing lawful business as they executed the Agreement of Sale and the Mortgage Document on the same date.

25. He submitted that he was a heart patient for seven years and invested Rs. 12,00,000/- by taking an overdraft facility from his son's account at the SBI Gunfoundry Branch. He submitted that as per the Written Submission of the Respondents, they claimed that they filed an application for HMDA permission and obtained a fee intimation letter on 19-11-2022 vide

File No. 057964/GHT/LT/U6/HMDA/19112022, but they did not obtain HMDA permission before executing the Agreement of Sale dated 13-12-2022.

26. He submitted that the Respondent filed a Counter and Written Submission with false allegations without valid grounds and without bona fides, only to avoid payment of the advance amount of Rs. 12,00,000/-. He submitted that the Respondents did not file any documentary evidence and that the contents of their Counter and Written Submission were false and were denied. He finally submitted that he had not violated Section 9 of the RERA Act and prayed that the Authority may award compensation of Rs. 12,00,000/- towards advance/part sale consideration along with interest @ 24% p.a. from 13-12-2022 till realisation.

G. Points for Consideration

27. Upon a careful perusal of the record and the submissions advanced by both parties, oral as well as written, this Authority is of the view that the following points arise for determination in the present complaint:

- I. Whether Respondent Nos. 1 and 2, namely Sri Tati Upendranath and Sri Malgireddy Yugandar Reddy, partners of M/s. Gopi Krishna Infra & Developers have violated Section 3 of the Real Estate (Regulation and Development) Act, 2016?
- II. Whether the Complainant, Sri Chinthakindi Chakrapani, has violated Section 9 of the Real Estate (Regulation and Development) Act, 2016?
- III. Whether Respondent No. 3, Mr Parasuram, has violated Section 9 of the Real Estate (Regulation and Development) Act, 2016?
- IV. Whether the Complainant is entitled to the relief sought? If so, to what extent?

H. Observations of the Authority

Point I - Violation of Section 3 of the RE (R&D) Act, 2016 by Respondent Nos. 1 and 2

28. This Authority proceeds to examine whether Respondent Nos. 1 and 2, the partners of M/s. Gopi Krishna Infra & Developers, have violated Section 3 of the RE (R&D) Act, 2016 by accepting advance amounts and entering into an Agreement of Sale in respect of plots in the project "GK Renuka Highway City" without obtaining prior registration of the said project with this Authority.

29. For ready reference, Section 3(1) of the RE (R&D) Act, 2016 is reproduced hereunder:

"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."

30. The language of Section 3(1) of the RE (R&D) Act, 2016 is prohibitory, absolute, and admits of no exception, save those expressly carved out under Section 3(2) of the Act. The expression "no promoter shall" denotes a statutory embargo of the highest order. The prohibition is not confined merely to the act of sale but extends to every anterior act of advertisement, marketing, booking, offering for sale, or invitation to purchase. Registration of the real estate project with the Authority is therefore a condition precedent that must be satisfied before any of the aforesaid activities are undertaken. A promoter who engages in any such activity prior to registration is in clear violation of the mandatory provisions of the Act and renders itself liable to penal consequences under Section 59 thereof.

31. In the present case, the project "GK Renuka Highway City," situated at D. Nagaram Village, Choutuppal Mandal, Yadadri Bhuvanagiri District, was registered with this Authority bearing Registration No. P02000006094 on 18.04.2023, and the said registration was valid till 01.02.2025. It is therefore an established and admitted position that the project obtained its RERA registration only on 18.04.2023.

32. A careful reading of the Agreement of Sale dated 13.12.2022, the Counter filed by Respondent Nos. 1 and 2, and the Rejoinder filed by the Complainant, makes it abundantly clear that the said Agreement of Sale was not a transaction for purchase of plots for personal or end-use. Both the Complainant's own pleadings and the Respondents' own Counter affirm that the arrangement was for the Complainant to "hold" the 12 plots and to sell them on to third parties within a period of six months, following which the realized amounts were to be remitted to the Respondents towards the balance sale consideration of Rs. 2,97,42,400/-. The Respondents themselves have admitted in their Counter that the 12 plots, valued at Rs. 3 crores, "were kept on hold" pursuant to this understanding, and that the Respondents "were also not given the opportunity to sell the plots to third parties during the six-month holding period." This admission by the Respondents is of the highest significance, it establishes that the primary function of selling and marketing the plots to the general public during the relevant period was assigned substantially to the Complainant, acting in conjunction with Respondent No. 3, Mr. Parasuram, and that the Respondents had structured the arrangement so as to keep themselves

removed from the direct selling process during this period, having outsourced that very function.

33. This arrangement, by the Respondents' own admission, demonstrates that Respondent Nos. 1 and 2 structured the transaction specifically as a mechanism for resale and onward marketing of the plots to third-party buyers, rather than as a sale to an end-purchaser. The Agreement of Sale dated 13.12.2022 was, in substance, an instrument by which the Respondents engaged the Complainant to function as a selling intermediary for the project, holding the plots and marketing them to prospective buyers, with the sale consideration to be remitted to the Respondents only upon successful resale. By structuring and executing such an arrangement for the active marketing and resale of plots to the public through an intermediary, prior to the project obtaining RERA registration, the Respondents engaged in marketing and offering plots for sale in an unregistered project, in direct contravention of the prohibition contained in Section 3(1) of the RE (R&D) Act, 2016.

34. It is also brought to the notice of this Authority that the Respondents had executed another Agreement of Sale dated 28.11.2022 in favour of other persons, namely B. Jagadeeswara Reddy and M. Anil Reddy, accepting an advance of Rs. 50,00,000/- through cheque and online transfers, again prior to the registration of the project. Furthermore, and most significantly, the Complainant has placed on record that the Respondents, on the very same date as the execution of the Agreement of Sale with the Complainant, i.e., 13.12.2022, had mortgaged Plot No. 321 in favour of HMDA for a market value of Rs. 42,00,000/- vide Document No. 9293/2022 registered at SRO Choutuppal. The simultaneous execution of an Agreement of Sale meant for onward resale, and a mortgage over the very same plot on the same date, demonstrates a complete disregard for transparency and a brazen disregard for the regulatory framework of the Act.

35. The Respondents, in their reply to the Show Cause Notice, have sought to characterize the amount of Rs. 12,00,000/- received as a mere "expression of interest," contending that the Complainant was engaged to hold the plots only so that they could be sold after the project obtained RERA registration. This defence is directly contradicted by the Respondents' own Counter, wherein it is admitted that the plots were already "kept on hold" for resale to third parties pursuant to the Agreement of Sale dated 13.12.2022, and that the Respondents had repeatedly approached the Complainant to sell the plots and clear the balance payment conduct entirely inconsistent with a stance that no marketing or resale activity was contemplated or

undertaken prior to registration. The Respondents cannot be permitted to resile from the clear terms and admitted conduct reflected in their own pleadings to escape statutory liability.

36. Accordingly, this Authority holds that Respondent Nos. 1 and 2 have committed a clear and established violation of Section 3(1) of the RE (R&D) Act, 2016, by structuring and executing an arrangement for the marketing and resale of plots in the project "GK Renuka Highway City" through an intermediary, and by accepting advance consideration in connection therewith, prior to obtaining mandatory RERA registration. The said violation attracts penal consequences under Section 59 of the RE (R&D) Act, 2016.

Point I is answered accordingly in the affirmative.

Point II - Violation of Section 9 of the RE (R&D) Act, 2016 by the Complainant

37. This Authority now proceeds to examine whether the Complainant, Sri Chinthakindi Chakrapani, has violated Section 9 of the RE (R&D) Act, 2016, by acting as a real estate agent in respect of the project "GK Renuka Highway City" without obtaining registration as a real estate agent with this Authority.

38. For the purpose of this examination, reference is first made to the definition of "real estate agent" as provided under Section 2(zm) of the RE (R&D) Act, 2016, which reads as follows:

"real estate agent" means any person, who negotiates or acts on behalf of one person in a transaction of transfer of his plot, apartment or building, as the case may be, in a real estate project, by way of sale, with another person or transfer of plot, apartment or building, as the case may be, of any other person to him and receives remuneration or fees or any other charges for his services whether as commission or otherwise and includes a person who introduces, through any medium, prospective buyers and sellers to each other for negotiation for sale or purchase of plot, apartment or building, as the case may be, and includes property dealers, brokers, middlemen by whatever name called."

39. Section 9(1) of the RE (R&D) Act, 2016 mandates that no real estate agent shall facilitate the sale or purchase or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building in a real estate project registered under this Act, being sold by the promoter in any planning area, without obtaining registration under the said section. The contravention of Section 9(1) attracts penal consequences under Section 62 of the Act.

40. In the present case, the facts placed on record reveal the following. The Complainant entered into an Agreement of Sale dated 13.12.2022 with the Respondents for the purchase of 12 plots, namely Plot Nos. 321 to 326 and 327 to 332, for a total sale consideration of Rs.

2,97,42,400/-, paying Rs. 12,00,000/- as advance. However, the Complainant has himself placed on record and admitted that the arrangement between the parties was not a straightforward purchase of plots for personal use or end-use. The Complainant has categorically stated in his own pleadings that the understanding between him and Respondent Nos. 1 and 2 was that he would book the 12 plots by paying an advance of Rs. 1,00,000/- per plot, that he would then sell these plots to third parties within a period of six months, and thereafter clear the balance sale consideration of Rs. 2,97,42,400/- to the Respondents.

41. This arrangement, as admitted by the Complainant himself, reveals that the Complainant never intended to purchase the plots for his own use or occupation. His intent was to act as an intermediary booking plots from the Respondents and then selling or facilitating the sale of the same plots to prospective third-party buyers, thereby earning a profit or goodwill in the process. The act of booking plots with the express intention of reselling them to third parties on behalf of or in relation to the Respondent's project squarely falls within the definition of a "real estate agent" under Section 2(zm) of the RE (R&D) Act, 2016, as the Complainant was in substance introducing prospective buyers to the seller-Respondents and facilitating transactions of transfer of plots in a real estate project.

42. The Complainant has further admitted that he was introduced to the Respondents by Mr. Parasuram, who was himself acting as a marketing agent for the Respondents, and that the entire transaction was premised upon the Complainant's capacity to sell the plots to other persons within the stipulated period of six months. The Agreement of Sale itself, for a total consideration of Rs. 2,97,42,400/- for 12 plots, further evidences a commercial and investment arrangement rather than a bona fide purchase for personal residential or end-use purposes.

43. In his reply to the Show Cause Notice issued under Section 9 of the Act, the Complainant has submitted that he was unaware of the requirement of registration as a real estate agent and that it was the duty of the Respondents to appoint only registered agents. While this Authority takes note of the Complainant's plea of ignorance, it is a well-settled principle that ignorance of law is no excuse. This Authority is also mindful that Section 9(1), read literally, applies to facilitation of sale or purchase of plots in a real estate project registered under the Act, whereas the project in question obtained registration only on 18.04.2023. However, this Authority is of the considered view that the prohibition under Section 9 must be read in the context of the entire scheme of the RE (R&D) Act, 2016, which is a beneficial and regulatory legislation enacted to bring order, transparency, and accountability to the real estate

sector. To permit an unregistered agent to escape the rigour of Section 9 merely because he operated in a project that was itself unregistered at the relevant time would render the regulatory framework self-defeating and reward non-compliance at every level of the transaction. The conduct of the Complainant booking twelve plots with the admitted intent of reselling them to third parties and earning goodwill squarely falls within the definition of a "real estate agent" under Section 2(zm) of the Act, and the Complainant's activities were part of a continuous commercial arrangement that extended into and overlapped with the period following the project's RERA registration on 18.04.2023. The statutory obligation to obtain registration as a real estate agent before facilitating the sale or purchase of plots in a real estate project is an absolute requirement under Section 9(1) of the RE (R&D) Act, 2016, and non-compliance therewith attracts penal consequences irrespective of the intent or knowledge of the person concerned.

44. Accordingly, this Authority holds that the Complainant, Sri Chinthakindi Chakrapani, by booking 12 plots with the admitted intent of selling them to third parties within a stipulated period and without obtaining registration as a real estate agent under Section 9 of the RE (R&D) Act, 2016, has acted in the capacity of a real estate agent and has thereby violated the provisions of Section 9(1) of the Act.

Point II is answered accordingly in the affirmative.

Point III - Violation of Section 9 of the RE (R&D) Act, 2016 by Respondent No. 3

45. This Authority now proceeds to examine whether Respondent No. 3, Mr. Parasuram, has violated Section 9 of the RE (R&D) Act, 2016 by acting as a real estate agent in respect of the project "GK Renuka Highway City" without obtaining prior registration as a real estate agent with this Authority.

46. At the outset, this Authority notes that despite due service of notice upon Respondent No. 3 through regular postal service, and subsequently through substituted service by way of paper notification dated 20.12.2025, Respondent No. 3 has failed to appear before this Authority or file any written response to contest the allegations made against him. In these circumstances, and upon being satisfied that all procedural requirements and due process obligations have been duly complied with, this Authority proceeds ex parte against Respondent No. 3.

47. The definition of "real estate agent" under Section 2(zm) of the RE (R&D) Act, 2016, as reproduced under Point II hereinabove, is wide enough to include any person who introduces prospective buyers and sellers to each other for the purpose of negotiation for sale or purchase of plots in a real estate project, and includes property dealers, brokers, and middlemen by whatever name called.

48. The material placed on record clearly establishes that Respondent No. 3, Mr. Parasuram, approached the Complainant in November 2022 on behalf of M/s. Gopi Krishna Infra & Developers and introduced him to Respondent Nos. 1 and 2, the promoters of the project "GK Renuka Highway City." It was through the active intervention and facilitation of Respondent No. 3 that the Complainant came to visit the office of the Respondents, was shown the project details, was given assurances regarding the plots, and was ultimately induced to enter into the Agreement of Sale dated 13.12.2022 and pay an advance of Rs. 12,00,000/-. This conduct of Respondent No. 3 of approaching prospective investors, introducing them to the promoters, and facilitating transactions in respect of plots in the project squarely falls within the definition of a "real estate agent" under Section 2(zm) of the RE (R&D) Act, 2016.

49. It is further established from the record that Respondent No. 3 was also alleged to have received advance amounts from the Respondents towards marketing and advertising of the project. This further establishes the role of Respondent No. 3 as a real estate agent acting on behalf of the Respondents for the purpose of marketing and facilitating the sale of plots in the project.

50. There is no material on record to indicate that Respondent No. 3 was registered as a real estate agent with this Authority under Section 9 of the RE (R&D) Act, 2016 at the time of engaging in the aforementioned activities. By acting as a real estate agent and facilitating the sale and marketing of plots in the project "GK Renuka Highway City" without obtaining the mandatory registration under Section 9(1) of the Act, Respondent No. 3 has committed a clear violation of the said provision, which attracts penal consequences under Section 62 of the RE (R&D) Act, 2016.

Point III is answered accordingly in the affirmative.

Point IV - Entitlement of the Complainant to Relief

51. Having recorded findings under Points I, II, and III, this Authority now proceeds to examine whether the Complainant is entitled to the relief sought, namely refund of Rs. 12,00,000/- along with interest at 24% per annum from 13.12.2022 until realisation.

52. For the purpose of this examination, it is necessary to refer to the definition of "allottee" under Section 2(d) of the RE (R&D) Act, 2016, which reads as follows:

"allottee", in relation to a real estate project, means the person to whom a plot, apartment or building, as the case may be, has been allotted, sold (whether as freehold or leasehold) or otherwise transferred by the promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or otherwise but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent."

53. The definition of "allottee" under Section 2(d) of the RE (R&D) Act, 2016, contemplates a person to whom a plot, apartment, or building has been allotted or sold by the promoter in the ordinary course of a real estate transaction, in the capacity of an end-purchaser or consumer. The statutory protections available under the RE (R&D) Act, 2016, including the right to seek refund under Section 18, the right to claim compensation, and the right to file a complaint before this Authority under Section 31, are designed and intended to protect such allottees genuine homebuyers and end-users who deal with promoters from a position of informational and bargaining disadvantage.

54. In the present case, as established under Point II hereinabove, the Complainant entered into the Agreement of Sale dated 13.12.2022 not as a bona fide purchaser of plots for his own residential or end-use, but with the express and admitted intent of reselling the said plots to third-party buyers within a period of six months and earning a profit or goodwill in the process. The Complainant's own pleadings and his reply to the Show Cause Notice leave no room for doubt that the transaction was commercial and speculative in nature, driven entirely by the intent to resell the plots to others and earn a gain. The Complainant was, in substance, acting as a real estate agent or intermediary in the transaction, and not as an allottee within the meaning of Section 2(d) of the RE (R&D) Act, 2016.

55. A person who enters into a transaction in a real estate project not as an end-purchaser but as an intermediary with the intent to further sell the plots to third parties cannot be said to fall within the protective ambit of the definition of "allottee" under the RE (R&D) Act, 2016. To hold otherwise would be to extend the statutory protections of a beneficial legislation,

designed to safeguard genuine homebuyers and consumers, to commercial intermediaries and speculators, which would be contrary to the legislative intent and purpose of the Act.

56. In view of the above, this Authority holds that the Complainant does not qualify as an "allottee" within the meaning of Section 2(d) of the RE (R&D) Act, 2016 in the facts and circumstances of the present case. Section 31 of the RE (R&D) Act confers the right to file a complaint upon an aggrieved person, which in the context of this beneficial legislation must be understood to mean a person aggrieved in the capacity of an allottee, homebuyer, or consumer dealing with a promoter. A person who entered into a transaction not as an end-purchaser but as a commercial intermediary intending to resell plots to third parties for profit or goodwill, and who has himself been found to be acting in the capacity of an unregistered real estate agent in violation of Section 9(1) of the RE (R&D) Act, cannot be said to be an "aggrieved person" within the protective ambit of Section 31 of the RE(R&D) Act. The dispute between the Complainant and the Respondents arising out of the Agreement of Sale dated 13.12.2022 is essentially a civil and commercial dispute between parties who were both acting outside the regulatory framework of the Act, and this Authority is not the appropriate forum for its adjudication. The Complainant is at liberty to seek appropriate relief before the competent civil court or forum of appropriate jurisdiction, in accordance with law.

Point IV is answered accordingly.

I. Directions of the Authority

57. In light of the discussions and findings recorded hereinabove under Points I, II, III, and IV, this Authority, in exercise of its powers under Sections 37 and 38 of the RE (R&D) Act, 2016, issues the following directions:

- i. The Secretary, TG RERA, is directed to initiate steps for imposition of penalty upon Respondent Nos. 1 and 2, namely Sri Tati Upendranath and Sri Malgireddy Yugandar Reddy, partners of M/s. Gopi Krishna Infra & Developers, under Section 59 of the RE (R&D) Act, 2016, for violation of Section 3(1) of the Act, as established under Point I hereinabove, in accordance with law.
- ii. The Secretary, TG RERA, is directed to initiate steps for imposition of penalty upon the Complainant, Sri Chinthakindi Chakrapani, under Section 62 of the RE (R&D) Act, 2016, for violation of Section 9(1) of the Act, as established under Point II hereinabove, in accordance with law.

iii. The Secretary, TG RERA, is directed to initiate steps for imposition of penalty upon Respondent No. 3, Mr. Parasuram, under Section 62 of the RE (R&D) Act, 2016, for violation of Section 9(1) of the Act, as established under Point III hereinabove, in accordance with law.

58. In view of the above, the present complaint is disposed of. No order as to costs.

Sd/-
Sri K. Srinivasa Rao,
Hon'ble Member,
TG RERA

Sd/-
Sri Laxmi Narayana Jannu,
Hon'ble Member,
TG RERA

