TELANGANA REAL ESTATE APPELLATE TRIBUNAL: HYDERABAD

Krishna Hostel, First Floor, Dr. MCR HRD Institute Campus, Road No.25,
MP & MLAs Colony, Jubilee Hills, Hyderabad-500 033.

CORAM: Hon'ble Sri Justice A. Santhosh Reddy, Chairperson
Hon'ble Sri P. Pradeep Kumar Reddy, Judicial Member
Hon'ble Sri Vemula Sreekar, Administrative Member

T.A.No. 56 of 2026

Between :

M/s Mihira Buildcon, represented by its
Managing Partner Chada Sukesh Reddy,
1-1-27/14, Prashanth Nagar, Waddepally,
Hanumakonda Mandal, Hanumakonda
District.

...Appellant/Promoter

AND

1. Telangana Rea Estate Regulatory Authority,
Represented by its Secretary/Authorised Officer,
DTCP Building, Ground Floor, 640, A.C. Guards,
Masab Tank, Red Hills, Hyderabad.

2. Vookanti Mahender Reddy, S/o V.Bhupathi Reddy,
H.No.2-10-459, Teachers Colony, Phase-II,
Waddepally, Hanumakonda – 506370.

… Respondents

Counsel for Appellant : Mr. R.A.Sumith Raj

Counsel for Respondent No.2 : Mr. P.Nagendra Reddy

Date of Decision : 29.10.2026

ORDER:: *(Per Hon'ble Sri Justice A. Santhosh Reddy)*

The appellant/promoter has preferred this appeal against the Order, dated 22.04.2026, passed by the Telangana Real Estate Regulatory Authority, Hyderabad, (hereinafter referred to as 'the Regulatory Authority'), in Complaint No. 368 of 2025, challenging the adverse observations made in Paragraph Nos.34, 35 and 36 of the impugned order, and prays for their expunction.

2. The learned Regulatory Authority, while dismissing the aforesaid Complaint No.368 of 2025 filed by the 2nd respondent herein (Complainant) for want of *locus standi*, made the following observations at Paragraph Nos.34, 35 and 36 of the impugned order:

> "34. Notwithstanding the dismissal of the complaint for want of *locus standi*, the Authority is of the considered view that a distinct regulatory issue arises on the face of the record. Section 4(2)(l)(B) of the Real Estate (Regulation and Development) Act, 2016 (for brevity 'the Act') casts a mandatory obligation upon every promoter to disclose, at the stage of registration, all pending litigations pertaining to the project land. This statutory obligation operates independent of the identity or maintainability of the complainant and is not rendered otiose by the subsequent

lapse of the project registration. The lapse of registration may have a bearing on the exercise of powers under Section 7 relating to revocation; however, it does not obliterate or condone any omission or misrepresentation at the time of obtaining registration. Consequently, the conduct of the promoter, insofar as it relates to compliance with disclosure requirements, remains amenable to regulatory scrutiny by this Authority.

35. The record prima facie discloses that O.S. No. 42 of 2008 (renumbered as O.S. No. 373 of 2022), involving the project land, was subsisting at the time the Respondent applied for and obtained registration of Project "CSR 99" (Registration No. P00300002756) in March 2021. No disclosure of this pending litigation appears to have been made in the application for registration. If established, such non-disclosure would attract a penalty under Section 60 of the RE(R&D) Act, which provides that a promoter who provides false information or contravenes the provisions of Section 4 shall be liable to a penalty extending up to five percent of the estimated cost of the project.

36. Accordingly, the Secretary, TG RERA, is directed to issue a Show Cause Notice to the Respondent, M/s. Mihira Buildcon, represented by its Managing Partner Chada Sukesh Reddy, calling upon the Respondent to show cause why a penalty under Section 60 of the Act should not be imposed for alleged non-disclosure of the pending civil suit O.S. No. 373 of 2022 at the time of registration of Project

"CSR 99", in contravention of Section 4(2)(l)(D) of the Act. The Show Cause Notice shall be issued within fifteen (15) days from the date of this order, and the matter shall be placed before this Authority for appropriate orders thereafter".

3. Brief facts of the case, as stated by the 2nd respondent/complainant in the Complaint, are that the Complainant has filed a suit being O.S. No. 42 of 2008 (renumbered as O.S. No. 373 of 2022) before the I-Additional District Judge at Hanamkonda, seeking Specific Performance of Contract against the original vendors, who were subsequently set *ex parte*. During the pendency of the suit, M/s Avinash & Sukesh Constructions, represented by its managing partners Chada Sukesh Reddy, Chada Pushpak Reddy, Chada Shailaja Reddy, and Chada Rameshwar Reddy, who were arrayed as defendants Nos. 4 to 8 in the said suit, established a new entity, M/s Mihira Buildcon, and registered a project titled "CSR 99" with the Regulatory Authority under Registration No. P00300002756, covering the lands in Survey Nos. 539/A, 540, 541, 543, 550 and 620, Plot Nos. 1-1-27/7(P) & 1-1-27/14, Hanamkonda. While applying for RERA registration, they deliberately suppressed the existence of the said civil suit, violating Section 4(2)(l)(B) of the Act. It was further stated that the appellant had executed multiple registered sale deeds and created

mortgage charges over semi-finished flats, despite the absence of Completion or Occupancy Certificates from the Regulatory Authority. Despite an *ad interim* injunction order, dated 30.09.2024, in O.S. No. 373 of 2022 restraining alienation, and a specific observation by the Hon'ble Supreme Court in SLP(C) No. 12400 of 2023 dated 29.01.2025 that "further construction shall be at the appellant's own risk and peril," the appellant proceeded with sales and financial transactions. Therefore, the 2nd respondent/complainant sought the following reliefs:

> (i). To take cognizance and initiate appropriate proceedings under Sections 7, 60, and 61 of the Act.
> (ii). Direct the appellant to disclose all pending litigation, and suspend or cancel the registration of the project.

4. Appellant filed a counter-affidavit, *inter alia*, contending that the Complainant is neither an allottee, promoter, builder, nor consumer under the Act and, therefore, lacks *locus standi* to invoke the jurisdiction of the Regulatory Authority. He states that the Complainant does not satisfy the criteria for classification as an aggrieved person under Section 31 of the Act. The complaint is not filed in proper Form 'M' and is liable to be rejected at the threshold without going into the merits of the case. It was stated that the suit in O.S. No. 373 of 2022 was filed for specific performance of the alleged handwritten agreement of sale and the project

site does not fall within the alleged suit schedule property. Defendant Nos. 4 to 8 in the said suit acquired land admeasuring 9,596 sq. yards through registered sale deeds vide Document Nos. 6990 of 2016 and 6991 of 2016, whereas the appellant's construction activity is only on 4,555.14 sq. meters. The permitted construction, as per ROC No. C110612017, dated 31.01.2018, does not fall within the alleged suit schedule property, confirmed by Kakatiya Urban Development Authority's rejection order dated 25.04.2020. The Civil Court, in its order dated 07.02.2024, in I.A. No. 1351 of 2022 in O.S. No. 373 of 2022, categorically observed that the suit-scheduled property is situated in different survey numbers when compared to the registered documents of defendant Nos. 4 and 5, where construction is carried out. Hence, no concealment or misrepresentation occurred. The building permission of the appellant was challenged before Kakatiya Urban Development Authority, which rejected the petition vide ROC No. C110612017 dated 25.04.2020. The rejection order was challenged before the Hon'ble High Court of Telangana in W.P. No. 18099 of 2022, and the same was dismissed, on 28.03.2022, on merits. Against the order passed in the said Writ Petition, an appeal being W.A. No. 298 of 2022 was filed by the complainant and a Division Bench of the Hon'ble High Court of Telangana disposed of the said appeal with a direction to

the VII-Additional District Judge, Warangal, to dispose of O.S.No.42 of 2008 within a period of six months from the date of receipt of a copy of the judgment and that the building permission granted by the Authority in favour of the respondent Nos.4 and 5 therein shall be kept in abeyance till disposal of the said suit. The owners of the project site preferred a Special Leave Petition before the Supreme Court vide SLP C No. 12400 of 2023 and that the Hon'ble Supreme Court of India, vide its order, dated 29.01.2025 in Civil Appeal No. 1245 of 2025, decided the issue in favour of the appellant and owners, permitting them to carry out construction. The decision of the Hon'ble Supreme Court attained finality. After receiving legal notice, dated 28.01.2017, from the complainant, defendants 4 to 8 in O.S. No. 373 of 2022, came to know about the pendency of the suit and filed I.A. No. 134 of 2017 and I.A. No. 423 of 2017 under Order I Rule 10 CPC for impleading themselves as defendants 4 to 8, which were allowed by the Civil Court, vide orders dated 25.04.2018. The appellant acquired a registered DAGPA bearing Document No. 5640 of 2021, dated 09.02.2021, with owners 1 and 2 (defendants 5 and 6). The appellant had registered the project with the Regulatory Authority without any legal or statutory requirement to disclose pending litigation, as the suit's subject matter does not pertain to the project site. The alleged suit schedule lands

in O.S. No. 373 of 2022 are imaginary and unidentifiable as the complainant neither furnished descriptive particulars nor localized the same during trial. Since the project site does not form part of the suit schedule property, there was no requirement to disclose the same to RERA. There is no absolute bar on alienation of semi-finished flats executed at the request of prospective purchasers for obtaining housing loans for their own benefit. It was further stated that the trial court erroneously allowed I.A. No. 730 of 2024 on the sole basis of the fraudulent order dated 05.06.2023 passed in W.A. No. 298 of 2022. However, the Supreme Court set aside the order, dated 05.06.2023, vide its order dated 29.01.2025. It was further stated that no material evidence has been produced by the complainant to show that the appellant is carrying out development activities over lands forming part of the suit schedule lands. Therefore, the appellant seeks to dismiss the complaint in its entirety with exemplary costs.

5. Respondent No.2/complainant filed a rejoinder, *inter alia,* contending that the one Chada Sukesh Reddy and his brother Chada Pushpak Reddy jointly purchased the land to an extent of Ac. 4298 Sq. Yards situated in Sy.Nos. 539/A, 540, 541, 543, 550 and 620 of Waddepally Village, Hanumakonda Mandal and District under registered Sale Deed

bearing Document No. 6990/2016, dated 18.08.2016 from M/s. Avinash and Sukesh Constructions and others and on the same day, the mother and brother of Chada Sukesh Reddy viz., Chada Shailaja Reddy and Chada Rameswar Reddy purchased the land to an extent of 5298 Sq. Yards situated in Sy. Nos. 539/A, 540, 541, 543, 550 and 620 of Waddepally Village, Hanumakonda Mandal and District, under registered Sale Deed bearing Document No.6991/2016, dated 18.08.2016. The complainant submitted that the land owners Chada Sukesh Reddy, his brother Chada Pushpak Reddy, adjacent land owners Azmira Vijaya, Guguloth Sali and Nareddy Tharabai submitted an application to the Kakatiya Urban Development Authority, Warangal. The other Partners in M/s. Mihira Buildcon constructed a multi-storeyed building on the land extent, i.e., Chada Shailaja Reddy and Chada Rameswar Reddy, though the owners of the land adjacent to the site did not make any application for the construction of the building. The multi-storeyed building is being constructed in the project site belong to Chada Sukesh Reddy and others. It was further stated that the boundaries of the schedule property of Chada Sukesh Reddy in Document No.6990/2016, dated 18.08.2016, and document of his mother Shailaja Reddy in Document No.6691/2016, dated 18.08.2016, clearly disclose that no construction activity is going on

in the land belong to Shailaja Reddy and Rameswar Reddy and the building is being constructed in the land which is suit schedule property. The suit schedule property situated in Sy.No.620, 539/A and other survey numbers. Further, the Urban Development Authority granted permission for the construction of the building in Sy. No.620, 539/A, 550, 540, 543 and 541. It was further stated that the documents of Sukesh Reddy and his mother Shailaja Reddy does not disclose that what is the extent of the land covered by the land in Sy.No.620 in which the building is being constructed. Further, the land in Sy. No.797/New extent 1150 Sq. Yards is not the part of the project site, but it is situated in different location and misguided the RERA in granting permission by mentioning fake survey number 539/A even though the applicant did not have proper title. It was further stated that the Kakatiya Urban Development Authority had granted building permission that the construction should be completed within a period of 7 years i.e., on or before 30.01.2025 and thereafter, the building permission was not extended, however, the appellant is proceeding to construct the building without making any application for extension of period. The RERA permission is granted up to 22.07.2025 and thereafter the RERA did not extend the period, however, the

appellant has been collecting the advance amounts from the customers, and executing the agreements of Sale.

6. After hearing the learned Counsel appearing on either side and perusing the entire material available on record, the learned Regulatory Authority, vide impugned order, dated 22.04.2026, while dismissing the complaint filed by the 2nd respondent/complainant, for want of *locus standi*, made certain observations at Paragraph Nos.34, 35 and 36 of the impugned order, as stated supra.

7. Aggrieved by the aforesaid observations made in the impugned order of the learned Regulatory Authority, dated 22.04.2026, the appellant filed the present appeal.

8. We have heard the learned Counsel appearing on behalf of the appellant as well as the learned Counsel appearing on behalf of the 2nd respondent/complainant and have gone through the entire material placed on record along with the written synopsis submitted by the parties.

9. The points that arise for consideration in this appeal is as under:

1." Whether the observations made in Paragraph Nos.34, 35 and 36 are unwarranted and liable to be set aside?

2. "Whether the impugned order, dated 22.04.2026, passed by the learned Regulatory Authority is sustainable in law."

POINTS No.1 & 2:

10. The main contention of the learned Counsel for the appellant/promoter is that the learned Regulatory Authority, having categorically held that the complaint filed by the 2nd respondent/complainant is not maintainable for want of *locus standi* and that the complainant is not an 'aggrieved person' under Section 31 of the Act, ought not to have recorded adverse observations and issue consequential directions against the appellant under Paragraph Nos.34, 35 and 36 of the impugned order and as such the said observations are liable to be expunged. His further contention is that the project site does not form part of the suit schedule property in O.S.No.373 of 2022 filed by the 2nd respondent/complainant and as such there was no statutory obligation on the part of the appellant to disclose the pendency of the said suit while applying for registration of the project before the Regulatory Authority.

11. The contention of the learned Counsel for the 2nd respondent/complainant is that even though the *locus standi* of 2nd respondent is immaterial, once the material non-disclosure under Section 4 of the Act is established on record, the 2nd respondent has *locus standi* to file the complaint being an aggrieved party in the civil dispute of the suit

schedule property. His further contention is that the appellant has not obtained any extension of building permission from the Kakatiya Urban Development Authority as well as the registration of the project from the Regulatory Authority and as such continuing construction of the building, marketing, executing sale deeds and collecting advance amounts from the purchasers, without valid approvals, directly contravenes the provisions of Sections 3 and 6 of the Act.

12. The principal question that needs to be addressed in this appeal is that, whether the 2nd respondent/complainant is an aggrieved person to maintain the complaint, in the facts and circumstances of the case already detailed comprehensively herein above.

13. At this stage, it would be apposite to refer to the provision section 31 of the Act, which reads as under:

> *"31. Filing of complaints with the Authority or the adjudicating officer: -(1) Any aggrieved person may file a complaint with the Authority or the adjudicating officer, as the case may be, for any violation or contravention of the provisions of this Act or the rules and regulations made thereunder, against any promoter, allottee or real estate agent, as the case may be.*
>
> *Explanation:- For the purpose of this sub-section "person" shall include the association of allottees or any voluntary consumer association registered under any law for the time being in force.*

14. Under Section 31 of the Act, the complaint can be filed either with the Regulatory Authority or Adjudicating Officer for violation or contravention of the provisions of the Act or Rules and Regulations framed thereunder. The complaint can be filed against 'any promoter, allottee or real estate agent, as the case may be, and can be filed by 'any aggrieved person' and it has to be read with an explanation, 'person' includes an association of allottees or any voluntary consumer association registered under any law for the time being in force. In the expression any aggrieved person, the word 'person' is defined under Section 2 (zg), but the word 'person' is further qualified by 'aggrieved'. It is a settled legal proposition that a stranger cannot be permitted to meddle in any proceedings unless he satisfies that he falls within the category of 'aggrieved person'. Therefore, this Tribunal notes that the phrase 'aggrieved person' used in Section 31 (1) of the Act would mean a person who is regulated or governed by the said Act and there is an injury of the right conferred under the said Act.

15. Admittedly, the 2nd respondent/complainant is neither an allottee, a promoter, nor a real estate agent in respect of the appellant's project. His claim arises from an alleged handwritten agreement of sale, the existence and enforceability of which remains to be adjudicated by the

Civil Court in O.S.No.373 of 2022. The Complainant has suffered no legal injury cognizable under the Act and that he does not hold any right as an allottee, nor does he have a registered title to the property in question. Since the grievance of the 2nd respondent/complainant is purely civil in nature, it must be addressed before the Civil Court, where the suit is already pending. Therefore, we are of the considered opinion that the learned Regulatory has rightly held that the 2nd respondent/complainant does not fall within the ambit of "aggrieved person" under Section 31 of the Act and consequently lacks *locus standi* to maintain the complaint.

16. So far as the observations made by the learned Regulatory Authority at Paragraph Nos.34, 35 and 36 of the impugned order are concerned, the learned Counsel for the appellant/promoter submitted that the impugned observations are self-contradictory and are liable to be set aside as the learned Regulatory Authority, having expressly observed that it was refraining from entering into the merits of the allegations including on the issues as to whether the project land overlaps with the suit schedule property and whether there was suppression of material facts at the time of registration, could not have proceeded to render *prima facie* findings regarding alleged non-disclosure and direct initiation of proceedings under Section 60 of the Act.

17. It is not in dispute that the 2nd respondent/complainant had instituted O.S.No.373 of 2022 (Old O.S.No.42 of 2008) on the file of the I-Additional District Juge, Warangal, for specific performance of agreement of sale, dated 12.08.2005, in respect of the property admeasuring 5,810.406 square yards situated in Survey Nos. 539/A, 620, 542/A&B, 549/A&B of Waddepally village, Hanumakonda District. The appellant (defendants 5 and 6) based on the building permission granted by the Kakatiya Urban Development Authority, Warangal, for construction of a high-rise building for residential apartment with cellar + Ground floor + Eight floors in Sy.Nos.539/A, 540, 541, 543, 550 and 620 of open plot No.69 situated at Waddepally village, Hanamkonda Mandal, Warangal District, vide proceedings dated 31.01.2018. Initially, an *ad interim injunction* was granted in I.A.No.1581 of 2008 on 12.08.2008, restraining the defendants in the suit from alienating the scheduled land to any third-party, valid till 09.09.2008 and it was extended next to operate till 23.09.2008. Admittedly, thereafter, the order of injunction was not extended. The Hon'ble Supreme Court of India in the aforesaid Civil Appeal No.1245 of 2025, has opined that since there was no subsisting order of injunction when the Writ Appeal of the complainant came to be disposed of by the impugned order, passing an order keeping the building permission in abeyance did

not arise and as such it allowed the Civil Appeal with a modification of the impugned order that construction already raised as well as construction to be raised further by the appellant (defendants 5 and 6 in the suit) pursuant to the building permission granted by the development authority shall be subject to and abide by the outcome of the suit.

18. The provisions of Section 4(2)(l)(B) of the Act mandate disclosure of all encumbrances, including any rights, claims, or pending litigation affecting the land, and Rule 3(1)(e) of the Rules reinforces the requirement of disclosure of litigation and interests affecting the property. The statutory requirement does not depend upon the merits or strength of the claim raised in the litigation, but upon the existence of such litigation itself. Non-disclosure of pending litigation deprives the Regulatory Authority of the opportunity to assess the legal status of the land at the stage of registration and also deprives prospective purchasers of critical information necessary for making informed decisions. Such omission defeats the object of transparency and accountability underlying the Act. In the instant case, a perusal of the impugned order reveals that the Regulatory Authority clearly held that the 2nd respondent/complainant does not fall within ambit of an aggrieved person under section 31 of the Act. Having said so, the observations at para 34, 35 & 36 appears to be

unwarranted and misconceived on improper appreciation of evidence. It is evident that the Regulatory Authority failed to take into consideration that the appellant has specifically pleaded and established with documentary evidence that the permitted constructions of the project site land do not fall within the alleged suit schedule property in O.S.No.373 of 2022, which was confirmed by the rejection order passed by the Kakatiya Urban Development Authority vide ROC No.C1/1061/2017 dated 25.04.2020. In the said circumstances, we are of the considered view that the dispute is seized of by the Civil Court and there is no *prima facie* evidence contradicting the plea of the appellant that the project site is not part of the schedule property in O.S.No.373 of 2022. Therefore, we find that there was no obligation on the part of the appellant to disclose the pending litigation at the time of registration of the project. As such, it cannot be said that there is a concealment or non-disclosure of pending litigation of the project site at the time of registration. Further, when the complaint is dismissed as the 2nd respondent/complainant is not the aggrieved person, the Suo Moto observations of the Regulatory Authority at para 34, 35 & 36 concluding that the appellant failed to disclose the pending litigation and thereby failed to comply with the provisions of Section 4(2)(1)(B) of the Act and further directing the Secretary RERA for

issuance of a show cause notice to the appellant are not permissible and not tenable in law.

19. In view of the aforesaid discussion, we find that the observations made by the learned Regulatory Authority at Paragraph Nos.34, 35 and 36 of the impugned order, dated 22.04.2026, are unwarranted and not sustainable in law and are liable to be set aside.

20. In the result, the appeal is allowed and the observations at paragraphs 34, 35 & 36 of the impugned Order, dated 22.04.2026, passed by the Regulatory Authority, in Complaint No. 368 of 2025, are hereby set aside. There shall be no order as to costs.

Pending miscellaneous applications, if any, shall stand closed.

Registry is hereby directed to transmit a copy of this order to the parties and the learned Regulatory Authority as per section 44 (4) of the Act.

Sd/-

A. SANTHOSH REDDY, J
(CHAIRPERSON)

Sd/-

P. PRADEEP KUMAR REDDY
(JUDICIAL MEMBER)

Sd/-

VEMULA SREEKAR
(ADMINISTRATIVE MEMBER)

29.10.2026

GSN

REGISTRAR
Telangana State Real Estate Appellate Tribunal