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. 81 of 2026

Between:

M/s. Gangothri Infraedge Private Limited
(Formerly known as M/s. Gangothri Developers)
A company incorporated under Companies Act, 2013,
represented by its Managing Director/
Authorised Signatory K.Madhuram Reddy,
Present Office at Plot No.222, Road No.17,
Opp. Jubilee Hills International Club Exit,
Jubilee Hills, Hyderabad-500 033.

...Appellant/Promoter

AND

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

… Respondent

Counsel for Appellant : Mr. Hari Kumar

Date of Decision : 29.10.2026

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

This appeal is preferred by the appellant/promoter against the Order, dated 22.06.2026, passed by the Telangana State Real Estate Regulatory Authority, Hyderabad, (hereinafter referred to as 'the Regulatory Authority'), in Suo Motu Case No. 1925 of 2025, whereby the Regulatory Authority, in exercise of the powers conferred under Sections 35, 37, 38 and 60 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as 'the Act'), issued the following directions:

(a) "The appellant/promoter, represented by Adama Srinivas Reddy, was directed to pay a Penalty of Rs.7,98,000/-, under Section 60 of the Act, for violation of Section 4 of the Act read with Rule 3(1)(e) of the Telangana State Real Estate (Regulation and Development) Rules, 2017 (for brevity 'the Rules') i.e., for non-disclosure of pending civil litigation affecting the project land at the time of registration of the Project 'Prithvi Towers' bearing Registration No.P02400009392, within 30 days in favour of TGRERA Fund through Demand Draft or Online payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036.

(b) The appellant/promoter was further directed to update and disclose the details of the pending civil litigation in O.S.No.935 of 2019, and any other litigation, if any, pertaining to the project land on the TG RERA portal and the project webpage, if not already updated, and ensure strict compliance with the disclosure

requirements prescribed under the Act and the Rules made thereunder.

(c) The appellant/promoter was also informed that failure to comply with the above directions shall attract further penal consequences under Section 63 of the Act."

2. The learned Regulatory Authority has initiated the present proceedings ***suo-motu,*** in exercise of powers conferred under Section 35(1) of the Act, based on a complaint representation, dated 29.05.2025, submitted by one B.Manoj Kumar (complainant) alleging that the project "Prithvi Towers", promoted by M/s Gangothri Builders (appellant herein), was situated on the land forming part of Survey Nos. 50 and 51 at Neknampur Village, Gandipet Mandal, Ranga Reddy District, which is the subject matter of a pending civil dispute. It has been alleged that the appellant/promoter had obtained registration of the project by suppressing the existence of civil litigation in O.S.No. 935 of 2019 pending on the file of the Principal District Judge, Ranga Reddy District, and had proceeded to advertise and sell flats without disclosing the said litigation to the Regulatory Authority or to the prospective purchasers. It was further stated that land admeasuring Ac. 9.02 guntas in Survey Nos. 40, 41, 50 and 51 of Neknampur Village was originally purchased in the year 1964 by late Venkat Ram in the name of his son Mohan Lal. Upon the demise of Mohan Lal, disputes arose among the legal heirs, and a family

arrangement/partition deed, dated 07.05.1995, was stated to have been executed, under which an extent of Ac.1.00 guntas was allotted to the complainant's mother Smt. B. Laxmi Bai. The complainant claims to be in possession and enjoyment of the said extent along with his family members. It was further stated that disputes subsequently arose *inter se* the family members regarding the validity and implementation of the said partition, which culminated in the institution of civil proceedings. The complainant and his family members filed a suit for declaration and perpetual injunction, vide O.S.No. 935 of 2019 on the file of the Principal District Judge, Ranga Reddy District, asserting their rights over an extent of Ac.1.00 guntas in Survey Nos. 50 and 51 and the same is pending adjudication. The complainant has alleged that during the pendency of the aforesaid civil suit, B. Prithviraj, who is one of the family members and claims rights over the property, entered into a Development Agreement-cum-Irrevocable General Power of Attorney (DAGPA), vide Document No. 14871 of 2021, dated 08.11.2021, with the appellant in respect of land admeasuring 9747 square yards forming part of Survey Nos. 50/P and 51/P. It was further alleged that the said development agreement was executed without disclosing the pendency of litigation and without resolving the competing claims over the property. It is

further brought on record that based on the aforesaid development agreement, the appellant/promoter had obtained building permission from the Hyderabad Metropolitan Development Authority (HMDA)/Manikonda Municipality, vide Proceedings No.012579/BP/HMDA/3388/SKP/2024, dated 24.02.2025, for construction of a multi-storied residential complex comprising cellar, podium floors and upper floors. Thereafter, the appellant/promoter had obtained registration of the project "Prithvi Towers" with the Regulatory Authority on 24.02.2025 under Registration No. P02400009392. It was further stated that while applying for registration under Section 4 of the Act, the appellant/promoter had submitted a declaration supported by an affidavit stating that the project land is free from encumbrances and that no litigation is pending in respect of the said land. It was further alleged that subsequent to obtaining registration, the appellant/promoter had commenced marketing, advertisement and sale of flats in the project "Prithvi Towers" without bringing to the notice of prospective purchasers the existence of the said litigation, thereby exposing innocent buyers to potential legal complications and financial risks. Therefore, the complainant seeks to restrain the appellant/promoter from continuing such activities and to take appropriate action for suppression of material

facts. The complainant had also approached the municipal authorities, raising objections regarding illegal construction and encroachment and as such the Manikonda Municipality issued a notice, dated 20.05.2024, directing the stoppage of construction activity in view of the pendency of O.S.No. 935 of 2019 and calling upon the said B. Prithviraj to furnish relevant title documents.

3. Appellant, represented by the promoter/landowner, namely, B.Prithviraj, filed a counter-affidavit, *inter alia*, contending that the complainant has no legal right, title or interest over the subject land and that the complaint is false and not maintainable. It was further contended that the alleged partition deed, dated 07.05.1995, is unregistered, insufficiently stamped and not legally enforceable. Further, the earlier suit in O.S.No.248 of 2008 was dismissed on merits and as such the complainant cannot claim any right over the property. It was further contended that the land was originally acquired by late Mohan Lal under registered sale deed, dated 08.10.1964, and that the appellant represented by the promoter/landowner, namely B. Prithviraj, is the lawful owner and possessor, having entered into Development Agreement and obtained necessary permissions. It was further contended that the issues relate to title disputes pending before the Civil Court are beyond the

scope of the Regulatory Authority and, therefore, sought for dismissal of the complaint.

4. After hearing the learned Counsel for the appellant/promoter and perusing the entire material available on record, the learned Regulatory Authority, vide impugned order, dated 22.06.2026, has imposed a penalty of Rs.7,98,000/- on the appellant/promoter, under Section 60 of the Act, for violation of Section 4 of the Act read with Rule 3(1)(e) of the Rules, apart from consequential directions regarding disclosure of O.S.No.935 of 2019, as stated supra.

5. Aggrieved by the aforesaid order of the learned Regulatory Authority, dated 22.06.2026, the appellant filed the present appeal.

6. We have heard the learned Counsel appearing on behalf of the appellant and have gone through the entire material placed on record along with the written synopsis submitted by him.

7. The point that arises for consideration in this appeal is as under:

> *"Whether the impugned order, dated 22.06.2026, passed by the learned Regulatory Authority is sustainable in law?*

POINT:

8. The main contention of the learned Counsel for the appellant/promoter is that the mere fact that O.S.No.935 of 2019 was pending on the date of the project's registration cannot automatically lead

to a conclusion that the appellant deliberately suppressed the litigation, particularly when the registered landowners had expressly represented that no dispute or third-party claim was existed at the time of execution of the registered Development Agreement-cum-irrevocable General Power of Attorney, dated 08.11.2021, with the appellant, in respect of the subject land. His further contention is that earlier suit being O.S.No.248 of 2008 filed by the complainant and his family members for partition and separate possession, was dismissed by the learned Principal District Judge, Ranga Reddy District, vide judgment dated 29.12.2017, and as such the complainant cannot claim any right over the property.

9. It is an admitted fact that the appellant/promoter had obtained registration of the project "Prithvi Towers", on 24.02.2025, from the Regulatory Authority, by submitting a declaration supported by an affidavit under Section 4(2)(l)(B) of the Act, affirming that the land proposed for development is free from encumbrances and that no litigation is pending in respect of the said land. However, the material available on record would discloses that O.S.No. 935 of 2019, filed by the complainant and his family members, was pending on the file of the Principal District Judge, Ranga Reddy District, as on the date of registration of the project. The said suit pertains to disputes relating to

title, partition and separate possession over the subject land forming part of Survey Nos. 50 and 51, Neknampur village. The record further discloses that the aforesaid suit was filed in 2019, whereas the Development Agreement-cum-GPA was executed in the year 2021 and the project was registered in the year 2025. Thus, it is evident that the litigation was subsisting and pending at the time when the appellant submitted the statutory declaration before the Regulatory Authority.

10. It is true that Section 4(2)(l)(B) of the Act mandates 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.

11. The contention of the learned Counsel for the appellant/promoter that the Regulatory Authority lacks jurisdiction to adjudicate title disputes is acceptable. At this juncture, it is necessary to clarify that the present proceedings do not involve adjudication of title. The limited inquiry is whether the appellant has made a complete and truthful disclosure at the time of registration of the project. As per the provisions of the Act, a promoter is expected to conduct a proper and comprehensive title due diligence before undertaking development of a real estate project. In the instant case, it is not in dispute that the complainant has

filed a suit for declaration and perpetual injunction, vide O.S.No.935 of 2019 on the file of Principal District Judge, Ranga Reddy District, asserting rights over Ac.1-00 gts., of land in Sy.No.50/P and 51/P of Neknampur village and the same is pending for adjudication. The land owners B.Prithviraj and B.Heera Lal entered into a Registered Development Agreement-cum-Irrevocable GPA, dated 08.11.2021 with the appellant in respect of 9,747 square yards approximately, farming part of Sy.Nos. 50/P & 51/P of Neknampur Village. The project Prithvi Towers was registered on 24.02.2025, wherein the appellant has not stated about the pendency of the civil suit in O.S.No.935 of 2019 and affirmed that the land proposed for the development is free from the litigation.

12. A perusal of the DAGPA, clearly indicates that the land owners have not informed about the litigation and under clause 12 categorically mentioned that the schedule property was free from disputes and claims of third parties. Undisputedly, the appellant is not a party to the pending suit in O.S.No.935 of 2019. Apart from that, the impugned order discloses that the land owner B. Prithviraj, filed a counter-affidavit stating that originally a suit in O.S.No.248 of 2008 was dismissed, which was filed for partition of the property based on an unregistered partition deed. In the complaint filed by B. Manoj Kumar, it is clearly stated that his mother, the

plaintiff in O.S.No.935 of 2019, has got Ac.1-00 gts of land in the partition dated 07.05.1985 and his uncle i.e., B. Prithviraj got Ac.4-01 gts., and his cousin B. Heera Lal got Ac. 4-01 gts., out of total extent of Ac. 9-02 gts. The details of extent of land categorically show that the land owners of the appellant project site have got more than Ac.8-00 gts of land and out of that they have given for developer 9,747 sq.yards for the development of the project. Since the suit being O.S.No.248 of 2008 filed by the mother of the complainant, B. Major Kumar, for partition of the properties was dismissed, the subsequent suit being O.S.No.935 of 2019 was filed for declaration of title. The said suit is no doubt pending. There is no documentary evidence to show that particularly the appellant project site was having the disputed Ac.1-00 gts., part of schedule property of O.S.No.935 of 2019. Therefore, the finding of the Regulatory Authority that the appellant failed to disclose the pending litigation of the details of O.S.No.935 of 2019 and violated the provisions section 4(2)(1)(B) of the Act, is not legally correct. Since, the O.S.No.935 of 2019 is pending before the Civil Court for adjudication and it is premature to assume that the subject project site part is part of the schedule property of the suit and the non-disclosure of the pendency of the civil proceedings to which the

appellant is not a party cannot be held as a non-disclosure to consider a violation of the statutory declaration under section 4(2)(1)(B) of the Act.

13. For the aforementioned reasons, we are of the considered view that the findings of the learned Regulatory Authority are based on improper appreciation of documents, facts and law. Accordingly, we find that the impugned order, dated 22.06.2026, passed by the learned Regulatory Authority is not sustainable in law and liable to be set aside.

14. In the result, the appeal is allowed and the impugned Order, dated 22.06.2026, passed by the Regulatory Authority, in Suo Motu Case No. 1925 of 2025, is 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 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