

**BEFORE TELANGANA STATE REAL ESTATE REGULATORY AUTHORITY
[Under the Real Estate (Regulation and Development) Act, 2016]**

COMPLAINT NO.827 OF 2023

29th November 2023

**Corum: Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson
Sri LaxmiNarayanaJannu, Hon'ble Member
Sri K. SrinivasaRao, Hon'ble Member**

Sri P Arogyam Reddy

.... Complainant

Versus

SmtSamalaPadmaja

Sri SamalaNarsi Reddy

M/s Vulcan Developers

Smt. BhupatiHemalatha

Sri DugaVara Prasad Setty

.... Respondent(s)

The present complaint is heard on the 31st day of October 2023 and the 16th day of November 2023, before this Regulatory Authority, with due representation from the Complainant Advocate Sri Hari Hara Kumar, and the Respondent Advocate D Srinivas Rao and this Authority, having considered the submissions of both parties, hereby issues the following:

ORDER

2. This order adjudicates upon the complaint under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the "RERD Act"), in conjunction with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules"). The complaint seeks the annulment of the RERA registration procured by the Respondent.

3. The relief sought pertains to the revocation of the registration granted to the Respondents under Section 7 of the RE(R&D) Act, 2016. The observations made during the proceedings are as follows:

- i. The complainant alleges that the Project sanctioned by RERA with Registration No. PO240001731, dated 20.3.2020, in favor of M/s Vulcan Developers, involves the construction of a Multi-Storied Residential Building in Sy. No: 124/lu, Gopanpally Village, SerilingampallyMandal, Rangareddy Dist., Telangana State, under GHMC Limits. The complaint revolves around the purported fabrication and falsification of documents by Mr. S.N. Reddy and Mrs.SamalaPadmaja to obtain Ac. 3 - 00 Gts land in survey number 124/luGopanpally village, SerilingampallyMandal.
- ii. The complainant contends that Sale Deeds 1) 3405 of 2013, 2) 3406 of 2013, and 3) 3407 of 2013, created by Mr. S.N. Reddy and Mrs.SamalaPadmaja, misrepresent the familial connection to the original landowner, KavaliMalliaiah S/o KavaliRamaiah. The complainant asserts that the Sale Deeds are fabricated and fictitious, supported by incorrect death certificates and family member certificates. Additionally, the complainant alleges the use of a non-existent NOC ref. No. E1/6719/2007 for deceptive purposes.
- iii. The complainant argues that the said Sale Deeds, used to obtain permissions from GHMC and RERA registration (PO2400001731, dated: 20.03.2020), are under challenge in a civil suit (O.S.No. 1303/2017) on the file of the Additional District Judge, Ranga Reddy at Kukatpally. The complainant highlights discrepancies in the documents submitted and asserts that the actions of the Respondents in collaboration with GHMC authorities, amount to misconduct.
- iv. The complainant seeks immediate action against S.N. Reddy, Padmaja, and M/s Vulcan Developers. The complainant also urges the cancellation of RERA Registration No. PO2400001731, dated: 20.03.2020, and related GHMC building permissions. Additionally, the complainant also prayed

to pass an interim order to stop the construction work, providing disposal of the complaint.

4. The Respondent in their counter vehemently expresses a strong objection to the referenced complaint, following as:

- i. Characterizing it as an apparent endeavor at blackmail and coercion. The Respondent firmly asserts that Mr. P. Arogyam Reddy and M/s. U & A Infra Projects lack the legal standing to maintain any complaint against them (Respondents No.1 to 4). This position is grounded in the assertion that M/s. U &A Infra Projects is, in essence, a fraudulent entity engaging in blackmail tactics.
- ii. The Respondent's contention is supported by evidence indicating that Mr. P. Arogyam Reddy's representations to this authority are false and fictitious. The alleged ownership of land in Survey No.124/Ka is disputed, and the involved sale deed (No.4495/2021) is deemed fraudulent. The original owners, represented by their GPA holders, settled the property in question through a composite sale deed of 1964 and a subsequent gift deed in 2017.
- iii. Furthermore, it is pertinent to note that a civil suit (OS.No.1303/2017) was initiated against the Respondents, seeking various reliefs. Subsequently, withdrawal memos and affidavits were filed, allowing partial permission against the share of one owner while the land pertaining to M/s. U &A Infra Projects remains pending consideration.
- iv. The complaint fails to acknowledge these legal developments and inaccurately represents the ownership status and legal proceedings related to the disputed land. Additionally, it is brought to the attention of this Authority that the complainant has engaged in parallel legal actions, such as filing a writ petition (WP No.11352/2017) and pursuing impleading petitions, without disclosing the compromise in OS.No.1303/2017.

- v. In light of the above, the Respondent contends that the complaint lacks merit, and M/s. U &A Infra Projects, along with Mr. P. Arogyam Reddy, are using false allegations with the intention of extortion. The alleged fraudulent sale deed, mentioned in the complaint, is being challenged in the competent courts.
- vi. Moreover, it is crucial to recognize that this authority should refrain from deciding matters that are already sub judice in OS.No.1303/2017 and WP.No.8221/2021. The legal proceedings supported by relevant documentation affirm the legitimate ownership and the lawfulness of the obtained building permissions and occupancy certificates for the project undertaken by M/s. Vulcan Developers.

5. On the basis of the above submissions and pleadings, as relief in the complaint filed by the Complainant is concerned though the sub section of 1 of section 7 of the RE(R&D) Act encourages revocation of the Registration in certain circumstances. The Authority observes that as the title dispute is yet pending before the Competent court and revocation under section 7 of the RE(R&D) Act, 2016 may be inappropriate at this stage, the authority will not be getting into the merits of the title dispute of the present project, and in cases of such disputes, the complainants first shall seek recourse with the civil court. It is not denied that the disputed matter is already pending before the competent authority between the present complainants and the Respondents. Therefore, if the complainants perceive any form of illegal activity on the part of the Respondents regarding their right over the land of the Real Estate disputed project, they can seek redress from the Civil Court or the Appropriate Authority. This Authority as such cannot grant the relief in the present Complaint.

6. However, this Authority most significantly observes that the Form B and original RERA Application filed before TS RERA incorrectly stated that there are no pendency of litigation cases, thereby suppressing the pertinent information

regarding an ongoing case before the District Court, namely OS.No.1303/2017. This filing of case occurred prior to the submission of the application for registration under TS RERA concerning the aforementioned property, thereby constituting a direct violation of **Section 4(2)(1)(b) of the Real Estate (Regulation and Development) Act and Rule 14(1)(d) of the Telangana State Real Estate (Regulation and Development) Rules.**

7. In view of the observations and discussion made above, this Authority hereby passes order as under and issues the following direction under section 37 and 38 of RE(R&D) Act:

- i. The Respondent, M/s Vulcan Developers, is directed to pay Rs. 13,00,000/- (Rupees Thirteen lakhs), which is 0.5% of the total estimated cost of the real estate project submitted to this authority at the time of filing an application for registration, as a penalty under sections 60 and 61 of the Act. The penalty is imposed for furnishing incomplete information and suppressing facts in the application to TS RERA, and for filing Form B dated 04.10.2022, stating that there is no pendency of litigations over the subject project. The penalty shall be payable in favour of TS RERA FUNDS through a Demand Draft or online payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036, within a period of 30 days from the date of receipt of this order.
- ii. The Respondent, M/s Vulcan Developers is hereby directed to furnish an affidavit to TS RERA, forthwith furnishing particulars of civil suit pending for the purpose of updating the status of the pending litigation concerning the aforementioned project. Since the matter is subjudice, it is needless to mention that the promoter shall be under obligation to compensate the allottee(s) in case of loss caused due to defective title of the land on which project is being developed as envisaged under section 18(2) of the RE(R&D) Act of 2016.

8. In the view of the ongoing civil litigation and the nature of the dispute, this authority is of the view that it lacks jurisdiction to adjudicate the matter at

this stage. The complainant's claims are intertwined with the civil proceedings, and it is only appropriate for the civil court to decide on the ownership and possession of the property.

9. The complaint is accordingly disposed off.

10. If aggrieved by this Order, the parties may approach the TS Real Estate Appellate Tribunal (vide G.O Ms.no.8, dt 11.01.2018, the Telangana State Value Added Tax Appellate Tribunal has been designated as TS Real Estate Appellate Tribunal to manage the affairs under the Act till the regular Tribunal is established) within 60 days from the receipt of this Order.

 **Sd/-**
Sri. K. Srinivas Rao, Hon'ble
Member
TS RERA

 **Sd/-**
Sri. Laxmi NaryanaJannu,
Hon'ble Member
TS RERA

Sd/-
Dr. N. Satyanarayana, IAS (Retd.),
Hon'ble Chairperson
TS RERA

TS RERA
TELANGANA STATE REAL ESTATE REGULATORY AUTHORITY