

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

SUO MOTU CASE NO. 859/2025

Date: 23rd June 2026

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

M/s Chandra Groups
Represented by Sri Avula Chandra Sekhar Reddy,
Flat No. 5B-36, Lodha Belleza,
KPHB Colony, Kukatpally, Hyderabad – 500072

...PROMOTER/RESPONDENT

Chandra's Green Park

...PROJECT NAME

The present Suo Motu proceedings have been initiated by the Telangana State 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”), based on representations dated 28.01.2025 and 04.04.2025 submitted by Sri P. Ram Gopal Rao alleging suppression of material facts and wrongful procurement of project registration by M/s Chandra Groups in respect of the project titled “Chandra’s Green Park” bearing Registration No. P02200002803.

2. The representations submitted before this Authority alleged that the Respondent obtained registration of the project by suppressing the existence of various civil litigations pertaining to the project land situated at Turkapally Village, Shamirpet Mandal, Medchal-Malkajgiri District. It was alleged that civil suits bearing O.S. No. 276 of 2017, O.S. No. 277 of 2017 and O.S. No. 278 of 2017 were pending prior to the grant of project registration and that certain subsequent proceedings, including O.S. No. 614 of 2021, O.S. No. 162 of 2023, CMA No. 22 of 2023, CMA No. 23 of 2023, and W.P. No. 28459 of 2021 were also pending in relation to the subject land.

3. It was further alleged that a portion of land in Survey No. 617 of Turkapally Village was covered by attachment orders passed by the Hon’ble Principal Special Judge for SPE & ACB Cases, Hyderabad in Crl.M.P. No. 189 of 2012 in Crl.M.P. No. 468 of 2010 in C.C. No. 14 of 2012 and that despite the existence of such proceedings, the Respondent obtained registration before this Authority by suppressing material facts. The petitioner accordingly sought cancellation of the project registration, initiation of criminal proceedings against the Respondent and other consequential action under the provisions of the RE(R&D) Act, 2016.

4. In view of the allegations raised in the representations and the documents enclosed therewith, this Authority deemed it appropriate to examine whether the disclosures made by the Respondent at the time of obtaining registration were in conformity with the requirements of Section 4 of the RE(R&D) Act, 2016, and the Rules framed thereunder. Accordingly, Show Cause Notice dated 05.08.2025 was issued to the Respondent calling upon them to explain the allegations and to appear before this Authority on 22.08.2025.

5. The matter was taken up for hearing on 22.08.2025. On the said date, none appeared on behalf of the Respondent. Accordingly, the matter was adjourned, and a further opportunity was granted to the Respondent. Thereafter, the matter was listed on 17.09.2025. On the said date, counsel for the Respondent appeared before this Authority and sought time to file a reply along with supporting documents. Considering the request, time was granted and the matter was adjourned.

6. Subsequently, on 24.10.2025, the Respondent filed written explanation and placed various documents on record. The Respondent denied all allegations of fraud, suppression and misrepresentation and contended that the project was registered after obtaining all necessary approvals and permissions from the competent authorities. The Respondent further submitted that it had acquired title over land admeasuring Ac.1.10 guntas in Survey No.617 through a registered Sale Deed bearing Document No.3387 of 2018 and that the project registration was granted by this Authority on 30.04.2021 after due scrutiny of all documents.

7. The Respondent further submitted that the civil suits relied upon by the complainant, namely O.S. No. 276 of 2017, O.S. No. 277 of 2017 and O.S. No. 278 of 2017, were disputes between third parties and that Chandra Groups was not a party to any of the said proceedings. It was submitted that there was neither any statutory obligation nor any occasion to disclose proceedings in which the Respondent was not a party and which did not involve any claim against the Respondent at the time of seeking registration before this Authority.

8. It was further submitted that the aforesaid suits were subsequently adjudicated by the learned Additional Senior Civil Judge, Medchal-Malkajgiri District through a common Judgment and Decree dated 30.01.2025. The Respondent submitted that O.S. No. 276 of 2017 and O.S. No. 277 of 2017 were decreed with costs, whereas O.S. No. 278 of 2017 was dismissed with costs. According to the Respondent, the said judgments substantially negated the claims of the complainant and persons claiming through him.

9. The Respondent further submitted that proceedings O.S. No. 614 of 2021, W.P. No. 13550 of 2021, W.P. No. 28459 of 2021, O.S. No. 62 of 2022, W.P. No. 672 of 2023 and other proceedings referred to by the complainant were instituted subsequent to grant of project

registration dated 30.04.2021 and therefore could not constitute suppression of material facts at the time of submission of the application under Section 4 of the RE(R&D) Act, 2016.

10. It was further submitted that pursuant to directions issued by the Hon'ble High Court in W.P. No. 13550 of 2021, the Hyderabad Metropolitan Development Authority (HMDA) conducted an independent enquiry and passed proceedings dated 25.09.2021. The Respondent submitted that HMDA specifically examined allegations relating to suppression, title and attachment proceedings and concluded that no material facts had been suppressed by the layout applicant and that the approvals were granted in accordance with law.

11. With regard to the attachment proceedings relied upon by the complainant, the Respondent submitted that although certain extents in Survey No.617 were subject to attachment proceedings before the ACB Court, the extent of Ac.1.10 guntas purchased and developed by Chandra Groups did not form part of the attached property. The Respondent relied upon the findings recorded by HMDA in its proceedings dated 25.09.2021 in support of the said contention.

12. The Respondent further submitted that the present proceedings have been initiated on the basis of disputes relating to title and ownership, which are already the subject matter of adjudication before competent Civil Courts. It was contended that such disputes fall outside the jurisdictional scope of the Authority under the RE(R&D) Act, 2016 and do not furnish grounds for cancellation of registration under Section 7 of the RE(R&D) Act, 2016.

13. Thereafter, the matter was heard on 09.12.2025, wherein counsel appearing for the Respondent advanced oral arguments and reiterated the submissions contained in the written explanation. The Respondent accordingly prayed that the allegations be rejected and that the present Suo Motu proceedings be closed.

OBSERVATIONS OF THE AUTHORITY:

14. This Authority has examined the representation submitted by Sri P. Ram Gopal Rao, the documents enclosed therewith, the written explanations and supporting documents filed by the Respondent M/s Chandra Groups, the oral submissions advanced during the course of hearing, the proceedings issued by HMDA dated 25.09.2021, the common judgment dated 30.01.2025 passed in O.S. Nos.276, 277 and 278 of 2017, the records relating to W.P. No.13550 of 2021, W.P. No.28459 of 2021, O.S. No.614 of 2021, O.S. No.62 of 2022, W.P. No.672 of 2023, CMA Nos.22 and 23 of 2023, and all other material available on record.

15. At the outset, it is necessary to clearly identify the scope of the present enquiry. This Authority called upon whether the Respondent complied with its statutory obligations of disclosure in obtaining registration of the project, and whether material developments affecting the project land were transparently disclosed for the benefit of existing and prospective allottees.

16. It is an undisputed fact that the project "Chandra's Green Park" was granted registration by this Authority on 30.04.2021 under Registration No. P02200002803. The declarations and affidavits submitted by the promoter at the time of registration formed the basis upon which the Authority was satisfied regarding compliance with the statutory requirements prescribed under the RE(R&D) Act, 2016. Consequently, the accuracy, completeness and truthfulness of those disclosures assume critical importance.

17. Upon scrutiny of the material placed before it, this Authority finds that civil suits bearing O.S. Nos. 276, 277 and 278 of 2017 were admittedly pending before the competent Civil Court prior to the grant of registration of the project. The said proceedings arose from disputes concerning the rights, title, ownership, possession, and validity of transactions relating to land situated in Survey No. 617 of Turkapally Village. The existence of these proceedings is not disputed. Indeed, the record demonstrates that the disputes remained pending adjudication until their eventual disposal through the common judgment dated 30.01.2025.

18. The Respondent has sought to contend that it was not a party to the aforesaid proceedings and therefore had no obligation to disclose the same while seeking registration. This Authority is unable to accept the said contention and rejects it unequivocally. The statutory obligation imposed upon a promoter under Section 4 of the RE(R&D) Act, 2016, is neither narrow nor technical in nature. It is a substantive obligation founded upon the principles of transparency and full disclosure. The obligation does not depend upon whether the promoter is formally arrayed as a plaintiff or defendant in a particular proceeding. What is material is whether the litigation concerns or affects the project land.

19. This Authority is firmly of the view that a promoter seeking registration of a real estate project bears a corresponding responsibility to undertake proper, effective and comprehensive legal due diligence concerning the land proposed for development. Such due diligence necessarily includes verification of pending civil suits, claims, injunction proceedings, title disputes and all other legal proceedings capable of affecting the ownership, marketability or

legal status of the land. The promoter cannot escape this responsibility by pleading ignorance of proceedings concerning the very land over which development rights are asserted.

20. Section 4(2)(l)(B) of the RE(R&D) Act, 2016, read with Rule 3(1)(e) of the Telangana State Real Estate (Regulation and Development) Rules, 2017, requires disclosure of encumbrances, claims and litigations affecting the project land. The language employed by the legislature is deliberately broad and comprehensive. The disclosure obligation extends not merely to adjudicated claims but equally to pending litigations which may have a bearing upon the legal status of the property. Such disclosures are intended to ensure that both the Authority and prospective purchasers are placed in possession of complete and accurate information before investment decisions are made.

21. The Authority is therefore of the considered view that the pendency of O.S. Nos.276, 277 and 278 of 2017 constituted material information which ought to have been disclosed by the Respondent at the time of seeking registration of the project. The subsequent outcome of those proceedings is of no consequence in determining whether disclosure was required. The obligation to disclose arose from the existence of the disputes themselves and not from the eventual result of the litigation.

22. The Respondent has further relied upon the common judgment dated 30.01.2025 whereby O.S. Nos.276 and 277 of 2017 were decreed and O.S. No.278 of 2017 was dismissed. While the said judgment has been duly considered, this Authority is of the view that compliance with statutory disclosure requirements must necessarily be assessed with reference to the date on which registration was sought and obtained. Subsequent adjudication cannot retrospectively cure an omission existing on the date when the statutory declaration was furnished before the Authority.

23. The complainant has also relied upon W.P. No.13550 of 2021, W.P. No.28459 of 2021, O.S. No.614 of 2021, O.S. No.62 of 2022, W.P. No.672 of 2023, CMA Nos.22 and 23 of 2023 and other connected proceedings. Upon examination of the records, this Authority notes that these proceedings were instituted after the grant of project registration on 30.04.2021. To that extent, they cannot be regarded as matters suppressed at the stage of registration, since they were not in existence when the registration application was considered by this Authority.

24. However, the matter does not conclude there. The RE(R&D) Act, 2016, is not confined merely to disclosures made at the threshold stage of registration. The legislative framework is founded upon continuing transparency throughout the lifecycle of the project. A promoter who obtains registration is not thereby relieved of the obligation to keep stakeholders informed regarding material developments affecting the project.

25. The proceedings instituted subsequent to registration, including W.P. No.13550 of 2021, W.P. No.28459 of 2021, O.S. No.614 of 2021, O.S. No.62 of 2022, W.P. No.672 of 2023 and CMA Nos.22 and 23 of 2023, concerned disputes, objections and claims relating to the project land. Whether such proceedings ultimately succeeded or failed is immaterial for purposes of disclosure. The existence of such proceedings constituted material information that a reasonable allottee would legitimately expect to know while evaluating the legal status of the project.

26. This Authority attaches considerable importance to the rights of allottees in this regard. A person investing substantial financial resources in a real estate project is entitled to know whether the project land is the subject matter of ongoing litigation, claims or judicial proceedings. Such information is directly relevant to the allottee's assessment of risk and is therefore integral to the objective of informed decision-making, which lies at the heart of the RE(R&D) Act, 2016.

27. The Authority is therefore of the considered view that once the aforesaid proceedings came into existence, the Respondent ought to have disclosed the same and updated the project information maintained before this Authority so that existing as well as prospective allottees were placed in possession of complete and accurate information regarding the legal developments affecting the project land. The failure to do so runs contrary to the spirit of transparency embodied in the statutory framework.

28. The Authority has also examined the proceedings issued by HMDA dated 25.09.2021. While HMDA recorded findings in relation to the objections raised before it, those findings neither diminish nor extinguish the independent disclosure obligations imposed upon the promoter under the RE(R&D) Act, 2016. The issue before HMDA was distinct from the issue presently under consideration. The present enquiry concerns compliance with statutory disclosure obligations and not the adjudication of title.

29. Upon cumulative consideration of the entire material available on record, this Authority is satisfied that disputes affecting the project land existed at the time of registration and that subsequent litigations and proceedings continued to arise in relation to the same property. The Respondent was under a statutory obligation to exercise due diligence, ascertain the existence of such disputes and make complete disclosures before this Authority. Further, the Respondent was under a continuing obligation to disclose subsequent material litigations and developments affecting the project land for the benefit of allottees and prospective purchasers.

30. The RE(R&D) Act, 2016, was enacted to ensure transparency, accountability and protection of consumer interests in the real estate sector. These objectives can be achieved only when promoters adhere strictly to their disclosure obligations and provide stakeholders with complete and accurate information concerning the legal status of project lands. Any omission in this regard strikes at the very foundation of the regulatory framework established by the legislature.

31. For the reasons recorded hereinabove, this Authority holds that the Respondent failed to disclose material litigations affecting the project land and failed to maintain the degree of transparency expected of a promoter under the RE(R&D) Act, 2016. Such conduct constitutes contravention of the disclosure requirements prescribed under Section 4(2)(l)(B) of the RE(R&D) Act, 2016, read with Rule 3(1)(e) of the Telangana State Real Estate (Regulation and Development) Rules, 2017 and consequently attracts penal consequences under Section 60 of the RE(R&D) Act, 2016.

DIRECTIONS OF THE AUTHORITY:

32. In light of the foregoing observations and findings, and in exercise of the powers conferred under Sections 35, 37, 38 and 60 of the RE(R&D) Act, 2016, this Authority hereby issues the following directions:

- a) For violation of Section 4(2)(l)(B) of the RE(R&D) Act, 2016 read with Rule 3(1)(e) of the Telangana State Real Estate (Regulation and Development) Rules, 2017, i.e., for failure to disclose pending civil litigations affecting the project land at the time of registration of the project "Chandra's Green Park" bearing Registration No. P02200002803, and for failure to disclose subsequent material litigations affecting the project land for the information of allottees and prospective purchasers, the Promoter/Respondent, M/s Chandra Groups, is held liable for penalty under Section 60

of the RE(R&D) Act, 2016. Accordingly, a penalty of ₹8,14,382/- (Rupees Eight Lakh Fourteen Thousand Three Hundred and Eighty-Two Only) is hereby imposed on the Promoter/Respondent, with a direction to remit the same within 30 days in favour of TGRERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036.

- b) The Promoter/Respondent shall henceforth ensure that any future litigation, claim, encumbrance, judicial proceeding or other material development affecting the project land is promptly updated on the TG-RERA portal and brought to the notice of existing and prospective allottees in order to maintain transparency and facilitate informed decision-making by stakeholders.
- c) The Promoter/Respondent is hereby informed that failure to comply with the directions issued herein shall attract further penal consequences under Section 63 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
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TG RERA

TELANGANA REAL ESTATE REGULATORY AUTHORITY