

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

**COMPLAINT NO.227 OF 2024**

**13<sup>th</sup> Day of December 2024**

**Corum: Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson**

**Sri K. Srinivasa Rao, Hon'ble Member**

**Sri Laxmi Narayana Jannu, Hon'ble Member**

Sri Macharla Santhosh

**...Complainant**

Versus

M/s Paradise Peak Pvt Ltd

**...Respondent**

The present matter filed by the Complainant herein came up for hearing on 20.11.2024 before this Authority in the presence of Complainant present in person and there was no representation on behalf of the Respondent and upon hearing the contentions of the complainant, this Authority passes the following **ORDER:**

2. The present Complaint has been filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the "RE(R&D) Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules") seeking directions from this Authority to take action against the Respondent.

**A. Brief facts on behalf of the Complainant**

3. The Complainant, an advocate, while providing legal opinion to his clients who were interested in purchasing plots in the Respondent's project, verified the details and discovered discrepancies.

4. The Complainant alleged that the Respondent, M/s Paradise Peak Private Limited, developed a 50-acre layout project in 2018 and sold approximately 550 plots without registering the project with this Authority. The Respondent allegedly entered into a Development Agreement-cum-Irrevocable GPA with landowner Ram Mohan Chinta, vide Document No. 10646/2018, for the development of a total land area admeasuring 51 acres and 18 guntas, located in Sy. Nos. 338/A and 340/A, within the municipality of Zaheerabad District. The site is situated adjacent to Allana Factory and opposite the Legends layout.

5. While the Respondent obtained DTCP layout approval on 26.09.2019 vide Lr.D.D.No.4547/2018/H, no application for RERA registration was made. Additionally, the Respondent sold plots to third parties without registration, as evidenced by the Encumbrance Certificate, and failed to secure mandatory insurance, exposing buyers to financial and legal risks.

6. The Complainant further contended that the buyer's interest is further jeopardized by a dispute between the landowner and the Respondent which led to filing Arbitration Application bearing No. 151 of 2023, which was adjudicated by the Hon'ble High Court on 10.11.2023, appointing Hon'ble Justice L. Nageswara Rao, a former Supreme Court Judge, as arbitrator.

7. The Complainant alleged that the Respondent misled buyers by failing to comply with legal obligations, like RERA registration of the project, and neglecting to disclose the ongoing arbitration dispute.

**B. Relief Prayed:**

The complainant prayed for the following relief(s)

- i. To punish the sole Respondent for Violating Sections 3, 4, 16 and other applicable sections of RERA as per sections 59, 60, 61 & other applicable sections of the Act.
- ii. To publish the non- application of RERA and violations committed by the Respondent on the RERA website and in the local newspapers to alert innocent home buyers.
- iii. Direct the Respondent not to sell any plots at the real estate project undertaken by the Respondent without RERA registration so that innocent buyers are not cheated.

### **C. Points for consideration**

- i. Whether the Complainant is an “aggrieved person” under section 31 of the RE (R&D) Act, 2016?
- ii. Whether the Respondent violated the Sections 3 and 4 of the RE (R&D) Act, 2016, by failing to register the project situated in Sy.Nos.338/A and 340/A, Zaheerabad Municipality, with this Authority and selling plots to third parties without obtaining such registration?

### **D. Hearing conducted**

8. The matter was heard on 20.11.2024, with the Complainant present and the Respondent absent. The Complainant reiterated the contents of his complaint and. highlighted alleged violations of the RE(R&D) Act, 2016, by the Respondent, stating that it was selling plots in Sy. Nos. 338/A and 340/A, Zaheerabad Municipality, Sanga Reddy District, without registering the project with this Authority. The Complainant requested this Authority to take necessary action to protect buyer’s interests and ensure the Respondent’s compliance with the Act.

### **E. Observations of the Authority:**

9. This Authority, upon examining the complaint, found that the Complainant does not qualify as an aggrieved party under Section 31 read with section 2(zg) of the Act, 2016 as the complainant is not aggrieved

under the provisions of the Act, 2016 and no apparent legal injury is inflicted to him by virtue of the violations committed on part of the Respondent herein.

10. Section 31(1) clearly stipulates that *“(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.”* However, the complainant has failed to establish as to how his legal rights under the provisions of the Act, 2016 have been breached by the Respondent.

11. Further, the Hon’ble High Court of Bombay in *Dr. Yogesh Keshav Bele vs. Maharashtra Real Estate Regulatory Authority* [(2023) 6 AIR Bom R 154], categorically held that:

*“Section 31(1) of the RERA Act uses the expression "any aggrieved person". The word "person" is defined under Section 2(28) of the RERA Act. The said word "person" is further qualified as "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". Only a person who has suffered legal injury can challenge the act/action/order in a Court of law. A "legal right", means an entitlement arising out of legal rules. The phrase "aggrieved person" used in Section 31(1) of the RERA 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. The phrase used in Section 31(1) is "any aggrieved person" and not "any person". The Appellant is not covered by the RERA Act and therefore he cannot be said to be an "aggrieved person" to take recourse to Section 31(1) of the RERA Act. The Appellant complainant can, at the most, lead evidence as a witness, but he cannot claim the status of an adversarial litigant. The Appellant complainant cannot be a party to the lis because no legal right is conferred on him by the RERA Act. Thus, from the above analysis it is evident that the Appellant having no concern whatsoever*

*cannot be said to have any locus standi to knock the doors of the RERA Act. The Appellant has knocked wrong door by taking recourse to RERA for redressal of his grievances.*

11. A bare perusal of the above quoted judgement makes it abundantly clear that the complainant's legal rights have not been infringed, and therefore he does not have *locus standi* to file the present complaint

12. However, during the hearing, it came to this Authority's notice that the Respondent failed to register a project admeasuring Ac 12.00 Gts in Sy.Nos.338/A and Ac 39.18 Gts in Sy.No.340/A at Zaheerabad Municipality, Sanga Reddy District. Given that the project area exceeds 500 square meters, it falls within the eligibility criteria for mandatory registration under Section 3(2) of RE (R&D) Act, 2016. Additionally, the encumbrance certificate submitted to the Authority revealed that plots within the project were sold without obtaining the necessary registration. This constitutes a clear violation of sections 3(1) and 4(1) of the RE (R&D) Act, 2016, as well as Rule 1(2) of the Telangana Real Estate Rules, 2017 making them liable for penalties under section 59 and 60 of the RE (R&D) Act 2016.

13. Consequently, this Authority *suo moto* issued a Show Cause Notice to the Respondent, directing them to explain their actions. However, no reply was received from the Respondent within the stipulated timeframe, resulting in compelling this Authority to proceed in accordance with the Provisions of the RE (R&D) Act, 2016.

#### **F. Directions of the Authority**

14. In light of the above discussion, this Authority, vide its powers under Sections 37 and 38, deems it appropriate to issue the following directions to the Respondent:

- a. For apparent and abject violation of sections 3(1) & 4(1), the Respondent is liable for penalty under sections 59(1) and 60

and therefore, the Respondent is directed to pay Rs.11,49,210/- (Rupees Eleven lakhs forty nine thousand and two hundred and Ten only) within 30 (Thirty) days to TG RERA funds through Demand Draft or online payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036;

- b. The Respondent is also directed to take steps to file an application for registration in accordance with section 4 read with the Rules 3 and 4 of the Rules, 2017 within fifteen (15) days;
- c. Until the application, as mentioned in direction (b) is made in accordance with law, for registration to the Respondent, the Respondent is strictly restrained from advertise, market, book, sell or offer for sale, or invite person/s to purchase in any manner related to the said project situated in Sy.Nos.338/A and 340/A; and
- d. Failure to comply with the directions by the Respondent as stipulated above shall attract penalty under section 63 of the Act,2016.

15. Accordingly, the complaint is disposed of.

**Sd/-**

**Sri. K. Srinivas Rao,  
Hon'ble Member,  
TG RERA**

**Sd/-**

**Sri. Laxmi Naryana Jannu,  
Hon'ble Member,  
TG RERA**

**Sd/-**

**Dr. N. Satyanarayana, IAS  
(Retd.), Hon'ble Chairperson  
TG RERA**