

TELANGANA REAL ESTATE APPELLATE TRIBUNAL: HYDERABAD

Krishna Hostel, Opp. to Canteen, Ground Floor, Dr. MCR HRDI Campus, Road No.25, MP
& MLA's 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 Smt. Chitra Ramchandran, Administrative Member.

T.A.No. 04 of 2026

Between:

1. M/s. VSMA Hyderabad Propex Private Ltd.,
represented by its Authorised Signatory
Mansanpally Kiran Kumar, located at
D.No.16-1-28/47/A/3, Saraswathi Nagar,
Saidabad, Hyderabad.
2. M/s. VBHC Hyderabad Value Homes Private Ltd.,
represented by its Authorised Signatory Signatory
Mansanpally Kiran Kumar located at 16-1-28/47/A/3,
Saraswathi Nagar, Saidabad, Hyderabad.

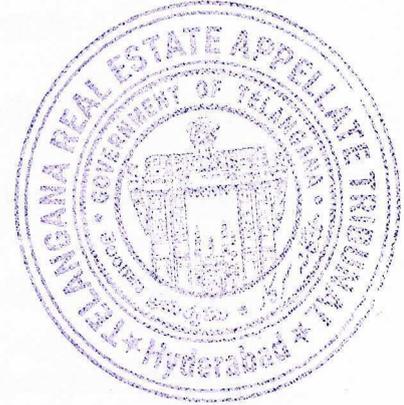
...Appellants/Promoters

AND

1. M/s. R.R. Ventures, a Partnership Firm, represented by
its Managing Partner B. Subrahmanyam Reddy,
Plot No.172, Road No.13, Jubilee Hills, Hyderabad.
...Respondent/Complainant
2. M/s. Pride India Mansions Private Ltd., represented
by its M.D.Abdul Haleem Baig, located at 18-14-6, G.M Nagar,
Kanchanbagh, Santhoshnagar Cross Roads, Hyderabad.
..... Respondent

Counsel for Appellants : Mr.M.Arjun Reddy
Counsel for Respondent No. 1 : Mr.Drupad Sangwan

Date of Decision : 05.03.2026

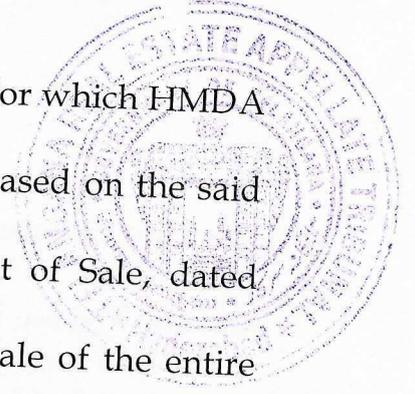


ORDER:: *(Per Hon'ble Sri Justice A. Santhosh Reddy)*

This appeal is directed against the interim Order, dated 22.01.2026, passed by the Telangana State Real Estate Regulatory Authority (hereinafter referred to as 'the Regulatory Authority), in Complaint No. 695 of 2025, whereby the Regulatory Authority restrained the appellants and 2nd respondent herein from undertaking any booking, sale, alienation, advertisement, marketing or invitation to the public in respect of the subject plots of the real estate project 'Asta Meadows' till further orders.

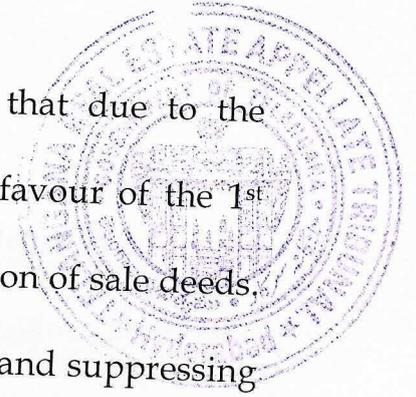
2. The case of the 1st respondent/complainant, in brief, as per the complaint, is that the lands situated in Sy.Nos. 864, 865/P, 866, 867, 868, 869, 877/P, 878/P, 879, 880, 881/P and 882/P of Ameenpur village, Sangareddy District, are Inam lands, for which Occupancy Rights Certificates (ORCs) were granted by the competent authority. The 2nd appellant herein (M/s.VBHC Hyderabad Value Homes Private Limited) purchased the said lands from the prior agreement holder, M/s. Priority Homes Private Ltd. and the ORC holders during the years 2015-2017. The said Priority Homes Private Ltd. had already applied for layout approval before HMDA through proceedings No.200116/LO/Plg/HMDA/2015, dated 02.01.2017, for an extent of 69,524.47 sq.mtrs., covering Plot Nos.1-

275 admeasuring 39,003.53 sq.mtrs. (46,645.64 sq.yds.), for which HMDA demanded development charges. It is submitted that based on the said proceedings, 2nd appellant entered into an Agreement of Sale, dated 23.03.2017, with the 1st respondent/ Complainant for sale of the entire plotted extent of 39,003.53 sq.mtrs. (46,645.64 sq.yds.) in Plot Nos.1- 275 at the rate of Rs.15,000/- per sq.yd. Pursuant thereto, the 1st respondent/complainant paid a total amount of Rs.6,15,00,000/- to the 2nd appellant including Rs.1,00,00,000/- vide cheque, dated 22.02.2017, Rs.3,00,00,000/- vide cheque, dated 23.03.2017, and Rs.1,00,00,000/- in cash as recorded in the agreement, Rs.50,00,000/- vide cheque, dated 01.02.2018, Rs.40,00,000/- vide cheque dated 18.05.2018, and a further sum of Rs.25,00,000/- in cash. It is further submitted that after payment of development charges and completion of necessary requirements, and with the consent of Priority Homes Private Ltd., HMDA approved the draft layout in favour of the 2nd appellant through Permit No. 08/LO/Plg/HMDA/2018, dated 11.05.2018. However, due to financial constraints, the 2nd appellant could not undertake development as per the draft layout conditions and was, therefore, unable to comply with its obligations under the Agreement of Sale, dated 23.03.2017. Under such circumstances, 2nd appellant requested the 1st respondent/complainant to



enter into an agreement with the 2nd respondent herein (M/s. Pride India Mansion Private Ltd). for sale of 39,789.84 sq.yds. out of 46,645.64 sq.yds., retaining 8,664.04 sq.yds. for the 1st respondent/complainant. Accordingly, 2nd appellant and the 1st respondent/complainant executed an agreement, dated 21.06.2018, for sale of 39,789.84 sq.yds. in favour of the 2nd respondent herein (Pride India Mansion). As the 2nd respondent herein failed to comply with the terms of the said agreement, the agreement, dated 21.06.2018, stood cancelled and the 2nd respondent herein no longer retained any rights in the subject land. It is further submitted that M/s BHEL filed W.P.No.18217 of 2011 challenging the ORC proceedings, and W.P.No.26350 of 2018 challenging the layout proceedings, and obtained interim orders. The ORC holder also filed W.P. No.25787 of 2011 against M/s BHEL alleging encroachment beyond the land acquisition award. In W.P. No.26350 of 2018, the 1st respondent/complainant was impleaded as Respondent No.6, and all writ petitions were disposed of by common order, dated 19.06.2023, whereby the ORC was set aside only to the limited extent of Ac.0.06 gts in Sy.No.876 and Ac.1.00 gts in Sy.No.870 and remanded the said portion to the Joint Collector, Medak, for fresh consideration. The layout proceedings were kept in abeyance, with liberty to seek modification by

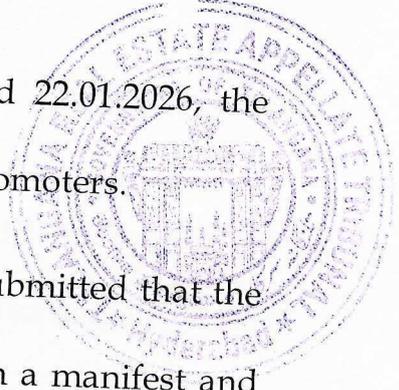
excluding the said portions. It is further submitted that due to the pendency of this litigation, the Agreement of Sale in favour of the 1st respondent/complainant could not culminate in execution of sale deeds. It is further submitted that by misrepresenting the facts and suppressing the existing Agreement of Sale with the 1st respondent/complainant for an extent of 39,003.53 sq.mtrs. (46,645.64 sq.yds.) in Plot Nos. 1-275, the 2nd appellant (VBHC Hyderabad Value Homes Pvt. Ltd), after changing its name to (M/s. V.S.M.A. Hyderabad Propex Private Ltd.), obtained a modified layout under the name "ASTA Meadows" without securing the consent of the complainant, thereby causing substantial loss, hardship, and damage to the Complainant. It is submitted that since an Agreement of Sale already exists in favour of the complainant for the said extent of plotted land, the successor entity V.S.M.A. Hyderabad Propex Private Ltd. has no right or title over the subject plots. It is further submitted that unless a registered agreement is first executed with the complainant by adjusting the advance amount of Rs. 6,15,00,000/- towards 10% of the sale consideration and collecting 10% towards the remaining plots, the appellants and 2nd respondent herein have no right to sell the subject land to third parties. It is further submitted that the appellants, in violation of provisions of the Act, are proposing to alienate the plotted land already



under Agreement of Sale with the Complainant, which would not only cause irreparable loss and hardship to the complainant, who invested substantial amounts in 2017-2018, but would also put the third parties at risk of entering into disputed transactions. It is contended that by suppressing the subsisting Agreement of Sale and misrepresenting facts, the appellants and 2nd respondent herein fraudulently obtained layout approval from the HMDA and are not entitled to alienate the plots without the Complainant's consent.

3. Therefore, the 1st respondent/Complainant sought an interim direction to the appellants/promoters and the 2nd respondent herein not to alienate or create third party rights in respect of the plots in their real estate project in respect of plotted land admeasuring 39,003.53 sq.mtrs. or 46,645.64 sq.yds in Sy. Nos, 864, 865/P, 866, 867, 868, 869, 877/P, 878/P, 879,880,881/P and 882/P located at Ameenpur, Sangareddy District, Telangana State during the pendency of final decision in the matter.

4. After hearing the learned Counsel for the parties and perusing the entire material available on record, the learned Regulatory Authority, vide impugned order, dated 22.01.2026, granted interim order as stated supra in favour of the 1st respondent/complainant (M/s.R.R.Ventures).

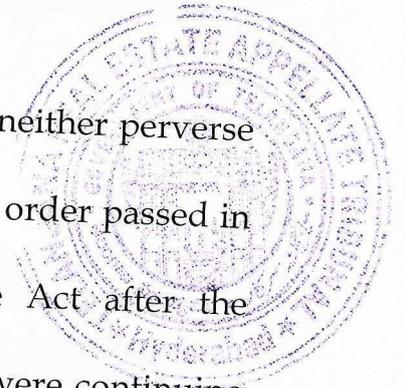
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5. Feeling aggrieved by the aforesaid order, dated 22.01.2026, the present appeal has been preferred by the appellants/promoters.
6. Learned Counsel for the appellants/promoters submitted that the impugned interim order, dated 22.01.2026, suffers from a manifest and gross violation of the principles of natural justice as the appellant was neither put on notice of the alleged allegations nor afforded any opportunity to rebut the same. He further submitted that the impugned order is conspicuously silent on the appellants counter, dated 23.12.2025, and the documents filed therewith, thereby clearly demonstrating non-application of mind and as such passing an adverse order without even adverting to the defence placed on record amounts to an absolute and incurable breach of *audi alteram partem* rule. He further submitted that the Regulatory Authority has deprived the appellants of its lawful rights without due process of law and as such it is ultra vires and unsustainable in law.
7. Learned Counsel for the appellants further submitted that the Regulatory Authority failed to appreciate that respondent No.1/complainant is not an allottee within the meaning of Section 2(d) of the Act. He further submitted that the provisions of the Act do not permit adjudication of contractual rights arising out of unregistered agreements

executed prior to registration of a project and as such the complaint is wholly devoid of maintainability under Section 31 of the Act. He further submitted that the impugned order is non-speaking, as it contains no finding on the *prima facie* case, balance of convenience or irreparable injury, which are essential criteria for granting interim relief. Further, the order restrains even parties, who admittedly have no subsisting rights in the subject property, thereby rendering the order arbitrary, unreasonable and unenforceable and as such it is liable to be set aside.

8. Learned Counsel for the 1st respondent/complainant submitted that the appellants are guilty of '*suppressio veri & suggestio falsi*' and have deliberately suppressed material facts, inasmuch as they have intentionally failed to disclose that on 09.12.2025 they had voluntarily and unequivocally given a categorical undertaking before the Regulatory Authority that no third party interest would be created in respect of the subject plots, which undertaking was duly recorded in the docket proceedings. Since they have violated the said undertaking, the interim order came to be passed only upon documentary proof of such breach being placed on record before the Regulatory Authority and on this ground alone the appeal is liable to be dismissed in *limine*.

9. He further submitted that the impugned order is neither perverse nor without jurisdiction, rather it is a statutory restraint order passed in exercise of express powers under Section 36 of the Act after the Regulatory Authority was satisfied that the appellants were continuing acts in contravention of law and in breach of their own undertaking. He further submitted that certain writ petitions concerning the subject lands were pending before the Hon'ble High Court and owing to the pendency of the said litigation, no further progress could be made in relation to the subject property or the implementation of the agreement of sale.

10. He further submitted that the complaint filed by the 1st respondent/complainant is maintainable under Section 31 of the Act, which permits any aggrieved person to approach the Regulatory Authority. Respondent No.1 having entered into the agreement of sale dated 23.03.2017 with the promoter and having paid substantial consideration thereunder in respect of the subject plots forming part of the registered project squarely falls within the meaning of an allottee/aggrieved person. Further, Section 2(zg) defines 'person' to include 'a firm under the Indian Partnership Act, 1932' and, therefore, respondent No.1 being a partnership firm, is fully competent and entitled to invoke the jurisdiction of the Authority.



11. Learned Counsel for the 1st respondent/complainant further submitted that the impugned order does not impose any unlawful or unconstitutional deprivation of property and is fully traceable to statutory authority under Section 36 of the Act, which empowers the Authority to restrain a promoter from continuing acts in contravention during the pendency of inquiry. He further submitted that the appellants are wrongly portraying the order as a project-wide freeze, whereas the order merely prevents further creation of third-party rights in order to avoid multiplicity of proceedings and to protect the rights of complainant and that the action of the Regulatory Authority is, therefore, by authority of law, proportionate to the circumstances and consistent with the statutory framework of the Act.

12. We have heard the learned Counsels appearing for the appellants as well as respondent No. 1 herein and have gone through the entire material placed on record along with written arguments filed by them.

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

“Whether the impugned order, dated 22.01.2026, passed by the learned Regulatory Authority is sustainable in law?”

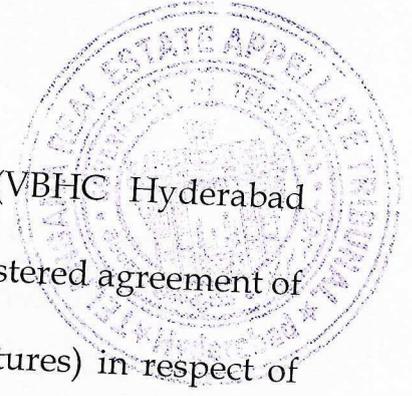
POINT::

14. Admittedly, on 23.03.2017, appellant No.2 (VBHC Hyderabad Value Homes Private Limited) entered into an unregistered agreement of sale, with the 1st respondent/complainant (RR Ventures) in respect of open plots 1 to 275 admeasuring 46,645.64 square yards covered by Sy.Nos. 864 to 870 and 876 to 882 situated at Uskabhavi, hamlet of Ameenpur village, Patancheruvu Mandal, Sangareddy District. It is also an admitted fact that no registered sale deed has been executed pursuant to the said agreement of sale.

15. It is also an admitted fact that subsequently, on 21.06.2018, appellant No.2 along with respondent No.1/complainant, who stood as a consenting party, entered into an agreement of sale with the 2nd respondent herein (M/s.Pride India Mansions Private Limited) in respect of plot Nos.1 to 115 and 166 to 275 admeasuring 39,789.84 square yards of the subject land.

16. A plain reading of the recitals of second agreement of sale, dated 21.06.2018, would disclose at paragraph No.5 as under:

“Whereas the Consenting party (Complainant) with its full knowledge and consent has agreed to enter into this agreement of sale agreeing to culminate their earlier



agreement into this agreement giving a go-bye to their earlier agreement dated 23.03.2017.”

17. Further, the recitals at paragraph No.19 of the said agreement would disclose as under:

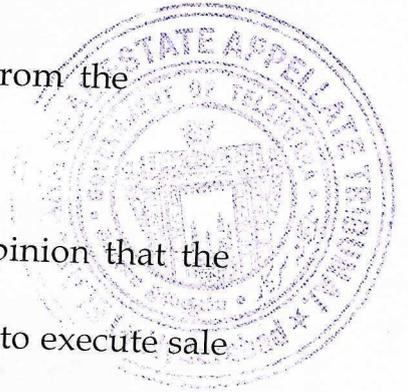
“The consenting party also undertakes that it shall not claim any right, title or authority over the scheduled property under the agreement dated 23.03.2017 and further undertakes that the earlier agreement with the vendor has been culminated into this agreement giving fresh rights to all the parties”

18. From the above, it is clear that entire dispute pertains to enforcement of rights, if any, arising out of unregistered agreements of sale executed prior to project registration under the Act. Therefore, such disputes fall squarely within the domain of Civil Courts under the Specific Relief Act, 1963.

19. In fact, the agreement of sale, dated 23.03.2017, itself provides the remedy at paragraph No.19 as follows:

“In case, the vendor (2nd appellant) fails or refuses to execute the sale deed and get it registered, the vendee (complainant) shall be entitled to get the same executed through a Court by filing specific performance suit and the

vendee is entitled to recover damages or loses from the vendor.”



20. In view of the above, we are of the considered opinion that the parties consciously agreed that disputes including failure to execute sale deeds, shall be resolved through Civil Proceedings. The agreement also contained a dispute resolution mechanism akin to arbitration for interpretation of clauses.

21. During the course of hearing in Complaint No.695 of 2025, on 09.12.2025, the learned Regulatory Authority passed the following docket order:

“Counsel for the complainant present. Counsel for respondent No.2 (M/s.VBHC Hyderabad Value Homes private Limited) present. Respondent No.1 (M/s. VSMA Hyderabad Propex Private Limited) absent and there is no representation on its behalf. Orally submitted not to create any third-party interest. Call on 22.01.2026 for arguments on interim relief and counter to be filed by 25.12.2025 and proof of service to be submitted.”

22. Thereafter, on 22.01.2026, the learned Regulatory Authority passed the following docket order:

“Counsel for Complainant present. Counsel for respondent No.2 also present. Respondent No.2 (M/s.VBHC Hyderabad Value Homes private Limited) has already filed counter and copy of the same was served on counsel for

complainant. Counsel for complainant filed a memo stating that the respondents (appellants herein) have violated the earlier directions of the Hon'ble Authority not to alienate units in the subject project to the third-party based on the oral undertaking given by respondent No.2 on the previous hearing date i.e.,09.12.2025 that they will not alienate units to the third-party of the concerned project. In view of the above interim orders sought and oral undertaking given by respondent on previous date of hearing, interim orders for the same are issued. Call on 17.02.2026.”

23. For better appreciation of the matter, Section 36 of the Act is extracted as under:

“Where during an inquiry, the Authority is satisfied that an act in contravention of this Act, or the rules and regulations made thereunder, has been committed and continues to be committed or that such act is about to be committed, the Authority may, by order, restrain any promoter, allottee or real estate agent from carrying on such act until the conclusion of such inquiry or until further orders, **without giving notice to such party**, where the Authority deems it necessary.”

24. In view of the above, it is evident that the learned Regulatory Authority has not taken into consideration of the terms and clauses of the agreement of sale, particularly paragraph No.19 of the agreement of sale, dated 23.03.2017, and erroneously came to the conclusion that if the plots are alienated to third parties, the same would seriously prejudice to the rights of the parties and assumed that *prima facie* the complaint is

maintainable and passed the interim order. In fact, the learned Regulatory Authority has not seriously considered that by virtue of the agreement of sale dated 21.6.2018, the agreement of sale dated 23.03.2017 stands cancelled and the terms and clauses of the agreement of sale dated 21.06.2018 did not give the 1st respondent/complainant the status of an allottee and the rights whatever accrued under the said agreements and related disputes squarely fall within the domain of Civil Courts and does not fall under any of the provisions of the Act.

25. Apart from that, it is pertinent to mention here that having contractually agreed upon civil remedies, the 1st respondent/complainant cannot now invoke the regulatory jurisdiction of the RERA to convert a private commercial land dispute into a regulatory complaint. RERA is intended to protect allottees in a registered real estate project and to ensure transparency in promoter-allottee relationship. It is not a forum for adjudicating pre-registration land development disputes between landowners, partners or consenting parties, who are not allottees within the meaning of the Act.

26. From a perusal of the entire material placed on record, it is evident that the 1st respondent/complainant appears to be not an 'allottee' in the registered project within the meaning of Section 2(d) of the Act. The



complaint arises from an unregistered agreement of sale of the year 2017, long prior to registration of the project under the Act, and pertains to a purely commercial land transaction. The provisions of the Act do not permit adjudication of contractual rights arising out of unregistered agreements executed prior to registration of the project. Consequently, the complaint also appears to be devoid of maintainability under Section 31 of the Act.

27. The impugned order is vitiated by gross procedural irregularity as the Regulatory Authority relied upon purported oral proceedings, dated 09.12.2025, and also a Memo, dated 22.01.2026, alleged to have filed by the 1st respondent/complainant. Further, the Regulatory Authority has not considered the counter, dated 23.12.2025, filed by the 2nd appellant/promoter and there is no finding on maintainability of the complaint or its jurisdiction. It is a settled principle of law that quasi-judicial authorities including the Real Estate Regulatory Authority are bound to act fairly and in strict adherence to the principles of natural justice. In the present case, the Regulatory Authority has deprived the appellants of its lawful rights without due process of law. It appears that the impugned order has been passed without assigning any reason and

without noticing the submissions made by the 2nd appellant in its counter dated 23.12.2025.

28. On a cumulative consideration of the entire material available on record, we find merit in the present appeal and accordingly the impugned order, dated 22.01.2026, passed by the learned Regulatory Authority is unsustainable in law and on facts and is liable to be set aside.

29. In the result, the appeal is allowed and the impugned order, dated 22.01.2026, passed by the learned Regulatory Authority in Complaint No.695 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 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/-

CHITRA RAMCHANDRAN
(ADMINISTRATIVE MEMBER)

05th March, 2026GSN

TRUE COPY

U. B. Reddy

Registrar

Telangana State Real Estate Appellate Tribunal.
Government of Telangana
HYDERABAD