

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

SUO MOTU CASE NO. 1925/2025

Date: 22nd June 2026

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

M/s Gangothri Builders
Rep.by Madhura Reddy
H.No. 12-5-35/A79 T-9, 3rd Floor,
Ballad Estate Tarnaka,
Hyderabad, Telangana- 500017

...PROMOTER/RESPONDENT

Prithvi Towers

...PROJECT NAME

The present Suo Motu proceedings have been initiated by the Telangana 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”), upon receipt of a complaint representation and upon prima facie satisfaction that issues relating to suppression of material facts and non-disclosure of pending civil litigation affecting the project land arise for consideration in respect of the project titled “Prithvi Towers”, registered under TG-RERA bearing Registration No. P02400009392.

2. A complaint representation was submitted by Sri B. Manoj Kumar, S/o Late Sri Ramesh, alleging that the project “Prithvi Towers”, promoted by M/s Gangothri Builders, is situated on 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 promoter has obtained registration of the project by suppressing the existence of civil litigation in O.S. No. 935 of 2019 pending before the Hon'ble Principal District Judge, Ranga Reddy District, and has proceeded to advertise and sell flats without disclosing the said litigation to this Authority or to prospective purchasers.

3. The complainant has set out a detailed factual background tracing the origin of the title of the subject land. It is 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 Sri Venkat Ram in the name of his son Sri Mohan Lal. Upon the demise of Mohan Lal, disputes arose among the legal heirs, and a family arrangement/partition deed dated 07.05.1995 is 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.

4. It is further submitted 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 Hon'ble Principal District Judge, Ranga Reddy District, asserting their rights over an extent of Ac.1.00 guntas in Survey Nos. 50 and 51. The said suit, involving questions of title, possession and competing claims among legal heirs, is stated to be pending adjudication.

5. The complainant has alleged that during the pendency of the aforesaid civil suit, Sri 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 in favour of M/s Gangothri Builders in respect of land admeasuring 9747 square yards forming part of Survey Nos. 50/P and 51/P. It is alleged that the said development agreement was executed without disclosing the pendency of litigation and without resolving the competing claims over the property.

6. It is further brought on record that based on the aforesaid development arrangement, the promoter applied for and 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 the construction of a multi-storied residential complex comprising cellar, podium floors and upper floors. Thereafter, the promoter proceeded to obtain registration of the project "Prithvi Towers" with this Authority on 24.02.2025 under Registration No. P02400009392.

7. The petitioner has submitted that while applying for registration under Section 4 of the RE(R&D) Act, 2016, the promoter has 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 is contended that such declaration is false and misleading in view of the admitted pendency of O.S. No. 935 of 2019, which directly pertains to the subject land and raises serious disputes relating to title and ownership.

8. It is further alleged that subsequent to obtaining registration, the promoter has 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. The complainant

has therefore sought the intervention of this Authority to restrain the promoter from continuing such activities and to take appropriate action for suppression of material facts.

9. The Petitioner has also approached the municipal authorities, raising objections regarding illegal construction and encroachment. In this regard, 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 Sri B. Prithviraj to furnish relevant title documents.

10. Pursuant to the issuance of the Show Cause Notice, this Authority issued hearing notice dated 23.08.2025 fixing the matter for hearing on 12.09.2025. On the said date, the Respondent was represented by their learned counsel, who sought time for filing the vakalatnama and counter. Accordingly, the matter was adjourned. Thereafter, the matter was listed on 16.10.2025, on which date the learned counsel again appeared and sought further time for filing vakalatnama and counter, which was granted in the interest of justice.

11. Subsequently, on 26.11.2025, the Respondent, represented by the Promoter/Landowner, namely Sri B. Prithviraj, through their counsel, filed a vakalatnama along with a counter affidavit placing on record his defence. In the counter, the Respondent denied all the allegations made in the complaint and contended that the complainant has no legal right, title or interest over the subject land and that the complaint is false and not maintainable.

12. The Respondent further submitted that the alleged partition deed dated 07.05.1995 is unregistered, insufficiently stamped and not legally enforceable. It is also submitted that the earlier suit in O.S. No. 248 of 2008 was dismissed on merits, and therefore the complainant cannot claim any right over the property.

13. It is further submitted that the land was originally acquired by Late Mohan Lal under registered sale deed dated 08.10.1964 and that the Respondent represented by the Promoter/Landowner namely Sri B. Prithviraj is the lawful owner and possessor, having entered into Development Agreement and obtained necessary permissions. The Respondent also raised an objection regarding jurisdiction, contending that the issues relate to title disputes pending before the Civil Court and are beyond the scope of this Authority. In the above circumstances, the matter was heard and reserved for orders.

OBSERVATIONS OF THE AUTHORITY:

14. This Authority has carefully examined the entire material available on record, including the complaint representation, the documents annexed thereto, the statutory disclosures

submitted by the Respondent at the time of registration of the project, the Show Cause Notice issued by this Authority, the reply filed by the Respondent, and the submissions made during the course of the hearing. Upon a comprehensive appraisal of the same, the following observations are made.

15. At the outset, it is necessary to clarify that the present proceedings are confined to examining compliance with the statutory obligations under the RE(R&D) Act, 2016, particularly with regard to disclosures made at the time of registration. This Authority is not adjudicating upon disputed questions of title or ownership, which fall within the exclusive domain of competent civil courts.

16. It is an undisputed fact that the Respondent obtained registration of the project “Prithvi Towers” on 24.02.2025 by submitting a declaration supported by an affidavit under Section 4(2)(l)(B) of the RE(R&D) Act, 2016, affirming that the land proposed for development is free from encumbrances and that no litigation is pending in respect of the said land.

17. However, the material placed before this Authority clearly establishes that civil proceedings in O.S. No. 935 of 2019 were pending before the Hon’ble 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 possession over land forming part of Survey Nos. 50 and 51, Neknampur Village, which constitute the very land on which the project is proposed.

18. The sequence of events assumes material significance. The civil suit was instituted in the year 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 Respondent submitted the statutory declaration before this Authority.

19. The principal issue that arises for consideration is whether the existence of such pending litigation constitutes a material fact requiring disclosure under the statutory framework of the RE(R&D) Act, 2016. In this regard, Section 4(2)(l)(B) mandates disclosure of all encumbrances, including any rights, claims, or pending litigation affecting the land, and Rule 3(1)(e) of the Telangana Rules reinforces the requirement of disclosure of litigation and interests affecting the property.

20. The obligation cast upon the promoter is one of full, true and transparent disclosure. The requirement is substantive and mandatory in nature, intended to ensure that this Authority and prospective allottees are made aware of all circumstances that may have a bearing on the legal status of the land and the viability of the project.

21. The contention of the Respondent that the complainant has no valid title or that the civil suit is not maintainable cannot be accepted as a justification for non-disclosure. The statutory requirement does not depend upon the merits or strength of the claim raised in the litigation, but upon the existence of such litigation itself.

22. This Authority is of the considered view that any pending civil proceeding involving disputes relating to title, ownership, possession, or partition constitutes a material circumstance affecting the land and falls within the scope of “encumbrance” or “litigation” required to be disclosed under Section 4 of the RE(R&D) Act, 2016 . The existence of such proceedings creates a cloud on title and is therefore a matter of direct relevance to regulatory scrutiny and to prospective purchasers.

23. The contention that this Authority lacks jurisdiction to adjudicate title disputes is well-founded; however, the present proceedings do not involve adjudication of title. The limited inquiry is whether the Respondent has made a complete and truthful disclosure at the time of registration. The distinction between adjudication of title and regulatory compliance is fundamental and must be maintained.

24. The promoter, before undertaking development of a real estate project, is expected to conduct proper and comprehensive title due diligence. The existence of a civil suit of the year 2019 concerning the very same land ought to have been ascertained through reasonable diligence. Failure to disclose such litigation indicates lack of due diligence and non-compliance with statutory obligations.

25. Non-disclosure of pending litigation deprives this Authority of the opportunity to assess the legal status of the land at the stage of registration and also deprives prospective purchasers of critical information necessary for making informed decisions. Such omission defeats the object of transparency and accountability underlying the RE(R&D) Act, 2016.

26. In view of the foregoing analysis, this Authority holds that the Respondent has failed to disclose the pendency of O.S. No. 935 of 2019, which was subsisting at the time of registration of the project, and has thereby furnished incomplete and incorrect information in the statutory declaration submitted 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, rendering the Respondent liable for action under Section 60 of the RE(R&D) Act, 2016.

DIRECTIONS OF THE AUTHORITY:

27. In the 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 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 non-disclosure of pending civil litigation affecting the project land at the time of registration of the project “Prithvi Towers” bearing Registration No. P02400009392, the Promoter/Respondent, M/s Gangothri Builders, represented by Sri Adama Srinivas Reddy, is held liable for penalty under Section 60 of the RE(R&D) Act, 2016. Accordingly, a penalty of ₹7,98,000/- (Rupees Seven Lakh Ninety-Eight Thousand 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 is hereby 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 RE(R&D) Act, 2016 and the Rules made thereunder.
- 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