

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

Complaint No.68 of 2024

30th Day of October 2024

Corum: **Dr. N. Satyanarayana, IAS _(Retd.), Hon'ble Chairperson**
 Sri K. Srinivasa Rao, Hon'ble Member
 Sri Laxmi Narayana Jannu, Hon'ble Member

Smt. Shruti Bedi

...Complainant

Versus

M/s Greenspace Housing and Engineers Pvt. Ltd.
Represented through its Authorised Representative,
Sri Allu Govind Reddy

...Respondent

The captioned matter filed by the Complainant above named came up for hearing on 29.08.2024 before this Authority in the presence of the Complainant in person and Counsel for the Respondent, Sri A. Chandra Mohan and Ms. P. Abhinandana Mala, and 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 "Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules") seeking appropriate reliefs against the Respondent.

3. This Authority is in receipt of Memo dated 14.08.2024 filed by the Complainant submitting that she seeks to withdraw the present complaint and pursue the Complaint before the Hon'ble Consumer Forum regarding the same

dispute/relief prayed for. It was, however, requested by the Complainant to take appropriate action against the Respondent for non-registration of the Project with the Authority in accordance with Sections 3 & 4 of the Act, 2016.

4. In light of the above-mentioned Memo, the matter is closed as withdrawn. However, since it has come to the knowledge of the Authority that the Project i.e., "Greenspace Grand" belonging to the Respondent herein is not registered with this Authority despite the same falling within the jurisdiction in accordance with Section 3 of the Act, 2016, it is imperative to take appropriate action by this Authority. In this regard, a Show-Cause Notice dated 18.06.2024 has been served on the Respondent.

5. The Respondent filed a Reply dated 27.07.2024. Relevant extract of the same is reproduced hereunder:

"It is submitted that the said project in the name "Greenspace Grand" was developed by the firm M/s Greenspace Housing and Engineers Pvt. Ltd. when it was under ownership of one Sri Venkata Reddy, and I was one of the partners. Whereas, I have become the Managing Director of the said firm only after the year 2019 when the previous member has exited the firm.

It is submitted that the project "Greenspace Grand" had obtained technical approval from the

- a. HMDA vide Letter No. 202886/BP/Plg/H/2015 dated: 04.08.2016;
by complying to all the obligations*
- b. Application of M/s Greenspace Housing & Engineers Pvt Ltd, Dt
03.05.2016,*

- c. Letter releasing DC Letter vide No. 202886/BP/Plg/H/2015 dated 12.07.2016.
- d. The firm remitted the DC amount and replied to the concerned office by 26.07.2016
- e. Submitted Mortgage executed in favor of M.C. HMDA vide Doc. No.4457/2016 dated 22.07.2016.
- f. Gift Deed for public purpose in favor of Gram Panchayath Puppalguda Doc. No. 4477/2016 dated: 23.07.2016.

It is submitted that though we had complied to all the above process in regard with the project in the year 2016 and started construction of the project. Whereas due to the Covid-19 and subsequent issues, further procedures have been delayed inadvertently i.e. we could obtain relinquishment of mortgaged property only in 2020, i.e. the authorization from HMDA for relinquishment deed for mortgaged flats vide Lr.No. 202886/BP/Plg/HMDA/2015 dated 19.12.2020.

It is evident from the above submissions that the said project permission was obtained well before the RERA came into effect in 2017 and thus, technically we are not in non-compliance under the Section 3 and 4 of TG RERA. Whereas it is submitted that as alleged we have not engrossed any rules while the project was taken up nor after the completion of the same.”

6. A perusal of the said reply makes it abundantly clear that the Respondent has not submitted any acceptable explanation as to why the project was not registered with this Authority. Admittedly, as per the Respondent’s own submission, the project was completed in all respects only in the year 2020 i.e., after the relinquishment

deed from the HMDA was issued vide Lr.No. 202886/BP/PIg/HMDA/2015 dated 19.12.2020. It is presumed by this Authority that mortgage of the flats is released by the competent authority/HMDA only when the HMDA has satisfied itself that the project has been completed in all respects in accordance with the sanctioned plan issued by it. Therefore, it can be concluded that project was still on-going as on the date of commencement of this Act, 2016.

7. Proviso to Section 3 clearly stipulates that *“provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act.* As the Project had not obtained a completion certificate or occupancy certificate as of the date of the commencement of this Act, the project was still deemed to be under development. It was only in the year 2020 that the Respondent got released the mortgage over the flats through the competent authority, categorizing the project as fully completed. Consequently, it was the binding obligation of the Respondent Promoter to have registered the Project following the commencement of the Act in 2016, as the development was ongoing at that time.

8. Therefore, this Authority deems it fit to impose penalty vide its powers under Section 38 read with Sections 59 & 60 of Rs.8,45,983/- (Rupees Eight Lakhs Forty-Five Thousand Nine Hundred and Eighty-Three Only) for violation of Sections 3 & 4 of the Act, 2016 payable within 30 days in favour of TS RERA FUNDS through Demand Draft or online payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036.

9. The Respondent hereby is also directed to file an application for registration of the Project “Greenspace Grand” before this Authority in accordance with Section 4 of the Act, 2016 and the Rules thereunder with immediate effect. Failing to comply with above said directions by the Respondent shall attract penalty under Section 63 of the Act, 2016.

Sd/-
Sri K. Srinivasa Rao,
Hon'ble Member,
TG RERA

Sd/-
Sri Laxmi Narayana Jannu,
Hon'ble Member,
TG RERA

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

