

**GOVERNMENT OF TELANGANA**  
**TELANGANA STATE REAL ESTATE REGULATORY**  
**AUTHORITY**

FRIDAY, THE 8 TH DAY OF NOVEMBER TWO THOUSAND TWENTY FOUR  
**ORDER UNDER SECTION 59 OF THE REAL ESTATE (REGULATION AND  
DEVELOPMENT) ACT, 2016**

**COMPLAINT No. 1769/2024**

Between:

K. Hema, W/o G. Santosh Reddy

.....Complainant

And

M/s Sree Vemuri Constructions through Sri Vemuri Chandrasekhar, H.  
No.1-7-67, First Floor, Vemuri Castle Apartment Chaitanyapuri, Hyderabad.

.....Respondent

**Quorum:** Dr. N. Satyanarayana, IAS (Rtd) Hon'ble Chairperson  
Sri. Laxminarayana Jannu, Hon'ble Member  
Sri. K. Srinivasa Rao, Hon'ble Member

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It is to inform you that this Authority has received a representation on behalf of Smt. K. Hema, W/o G. Santosh Reddy wherein, it was submitted that,

1.1 She is the owner and possessor of Flat bearing No.S-7, 2nd Floor, Annapurna Sadan Apartments with plinth area of 920 sft., along with undivided share of 54 square yards out of 1100 square yards forming part of Plot Nos.66, 67 and 68 in Sy.No.181/5 of Chaitanyapuri Colony, Kothapet. That the above flat was purchased by her vide sale deed bearing document No.14124 of 2003, dated 21.11.2003. After purchase of the said flat, she was living in the said flat along with her family. The said construction was

consisting of ground plus two upper floors and occupied by various flat owners.

1.2 That in the year 2021 the flat owners of the apartment and neighbouring apartments were approached by M/s. Sree Vemuri Constructions and offered for dismantling the existing structure and build a new residential apartment and made certain promises. That thereafter Development Agreement cum General Power of Attorney was executed by all the Flat owners of the said apartment in favor of M/s. Sree Vemuri Constructions vide registered document dated 15.05.2022.

1.3 That the said DAGPA was executed with an understanding that M/s. Sree Vemuri Constructions would dismantle the existing building and make construction of residential building in total area of 1092. Sq, yards in Sy. No. 181/5. The said building is to be constructed in 2 blocks i.e., Block A consisting of 10 flats and Block B consisting of 15 flats. That in the said DAGPA the shares of the parties were also detailed. That I was allotted flat No. 302, 3rd floor, admeasuring to the extent of 1125 SFT in Block-B. Similarly, the builder M/s. Sree Vemuri Constructions was allotted with 7 flats in Block A each admeasuring 1520 SFT. That, as per the said DAGPA the Block A is proposed to be constructed in land admeasuring to 519.32 Sq. yards and Block B is proposed to be constructed in 572.5 Sq. yards. That under the DAGPA the Developer is also liable to pay Rs. 6000/- per month to the flat owners towards monthly rents from the date of municipal Permission. The DAGPA also casts obligation on the developer to obtain all required permissions applicable to the said construction in terms of existing laws.

1.4 That, the developer based on DAGPA has obtained two separate municipal permissions vide Permit No. 2670/GHMC/LBN/2022 - BP with respect to Block-A for construction of stilt + upper 5 floors, another Permit No. 2669/GHMC/LBN/2022 - BP with respect to Block-B for construction of 1 stilt + 5 upper floors. That prior to entering into DAGPA, the developer executed a Memorandum of Understanding, dated 16.03.2022 in her favour to allot 1520 Flat admeasuring 1550 SFT instead of 1125 SFT for differential

amount of Rs.11,00,000/- (Eleven Lakhs Only) and also undertook the same would be included in the agreement to be executed in future. That as per the understanding the amount is paid by her.

1.5 That, after the execution of DAGPA and after obtaining the permissions, the developer giving a goby to all terms and conditions in DAGPA and flouting the provisions of law, is now started executing multiple documents in favour of third parties by receiving huge sums of money.

1.6 That, upon further enquiry, it has come to her knowledge that the developer has similarly entered DAGPA documents with neighbouring apartment owners and making constructions in various blocks. Though the said constructions would fall within the purview of RERA no registration, permission or clearances were obtained, despite the construction undertaken is more than 10 units and also area wise the relevant clearance from RERA is mandatory. The developer is alienating the Flats to 3rd parties contrary to terms of understanding. This action of developer is in clear contravention of provisions of RERA and action is required to be initiated for such illegality.

1.7 That, under the provisions of Real Estate (Regulation & Development) Act, 2016 more specifically under section 3 requires prior registration of project and the Promoter is restrained from advertising, marketing, booking, selling or offer to sale, in any manner any plot, apartment or building, without registering the real estate project with the Real Estate Regulatory Authority established under the Act. Despite the project falling within the purview of provisions no registration was done and is being sold through multiple documents. That the said action would call for action against the developer in terms of provisions of Section 59 of the Act, and also the alienation that is being made contrary to provisions is required to be restrained. Therefore, the she prayed to take appropriate action against the developer for the violations under provisions of Real Estate (Regulation & Development) Act, 2016 and in the meantime to restrain the developer from creating multiplicity of documentation of alienation of flats in the said construction made pursuant to Municipal Permit No.

2670/GHMC/LBN/2022-BP in Block-A and Permit No. 2669/GHMC/LBN/2022-BP in Block-Bin Plot No. 66, 67 & 68 in Sy. No. 181/5 of Chaitanyapuri Colony, Kothapet as the same is without registration under provisions of Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as “Act, 2016”), in the interest of Justice.

1.8 She also annexed a copy of the Development agreement dated 15.05.2022, Municipal Permit No. 2670/GHMC/LBN/2022-BP and Permit No. 2669/GHMC/LBN/2022-BP and MOU dated 16.03.2022 in support of her contentions.

2. This Authority has perused the Representation filed by Smt. K. Hema along with the documents filed in support of her contentions. It is apparent that vide Permit No.2670/GHMC/LBN/2022-BP dated 05.08.2022, M/s Sree Vemuri Constructions represented by Sri V. Chandra Sekhar applied for permission of development of a plot having a total area of 434.15 sq.mtrs having 1 stilt + 5 (five) floors having 2 flats each i.e., a total of 10 (ten) flats.

2.1 In the other permit bearing No.2669/GHMC/LBN/2022-BP dated 05.08.2022, permission is for the development of plot having a total area of 478.61 sq. mtrs having 1 stilt + 5 (five) floors having 3 flats each i.e., a total of 15 (fifteen) flats. Therefore, in Block A and Block B, there are a total of 25 flats.

2.2 Section 3(2) clearly stipulates that “*notwithstanding anything contained in sub-section (1), no registration of the real estate project shall be required— (a) where the area of land proposed to be developed does not exceed five hundred square meters or the number of apartments proposed to be developed does not exceed eight inclusive of all phases.*” As clearly seen from the approved plan, as the number of apartments of exceeding 8 i.e., 10 in Block A and 15 in Block B, the project falls within the ambit of this Authority and the promoter, M/s Sree Vemuri Constructions is liable to comply with the provisions of Sections 3 and 4 of the Act, 2016.

### **Section 3(1)**

*3. (1) No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act.*

### **Section 4(1)**

*4. (1) Every promoter shall make an application to the Authority for registration of the real estate project in such form, manner, within such time and accompanied by such fee as may be specified by the regulations made by the Authority.*

2.3 Further, this Authority has perused the DAGPA, more specifically Clause 13 which states as under:

*“13.The Second Party and the Parties of the First Party shall be entitled to sell, transfer and allotted built-up area/flats of Residential building complex with proportionate common amenities along with undivided share and other areas in the proposed project to be developed on the scheduled property to the extent of this respective shares of the constructed area on ownership or any other basis to such parties for such consideration as they may deem fit and proper and shall be entitled to enter into agreements of such sale or transfer with persons intending to purchase and /or acquire the said Residential building complex as such price and upon such terms and conditions as decided by the them independently.”*

This clearly concludes that the Promoter, M/s Sree Vemuri Constructions as well as other owners of the respective flats are free to offer for sale their respective flats sans RERA registration in abject violation of Sections 3 & 4.

3. Accordingly, a Show Cause Notice dated 13.09.2024 was issued to the promoter, M/s Sree Vemuri Constructions to show cause as to why penalty should not be imposed under Sections 59 and 60 of the Act, 2016 for violation of Sections 3 and 4 as mentioned above.

3.1 As the Notice was returned, the same was reissued to the promoter, M/s Sree Vemuri Constructions and was duly served upon him on 26.10.2024. An acknowledgment to this effect was received by the office of this Authority. The Show Cause Notice clearly directed to explain to this Authority within one week from the date of receipt of the said show cause notice as to why action should not be initiated against you for violation of Sections 3 & 4 of the Act, 2016 failing which necessary action shall be initiated.

4. Despite service of notice there has been no response on behalf of the promoter, M/s Sree Vemuri Construction seven till today Sufficient opportunity and reasonable time were afforded to the promoter to furnish an explanation in response to the Show Cause Notice, specifically addressing why the imposition of a penalty should be avoided. However, the promoter's deliberate failure to submit such an explanation constitutes an implied acceptance of the allegations and charges contained therein. This Authority, therefore, derives the power to initiate and execute appropriate punitive measures in accordance with the law.

4.1 The wording of the Show Cause Notice makes it unequivocally clear that failure to provide an explanation within the stipulated time frame would empower this Authority to proceed with subsequent actions, including the imposition of penalties, as deemed fit and just under the provisions of the Act, 2016.

5. Therefore, vide its powers under Sections 36, 37 and 38 read with Sections 3, 4, 59 and 60, this Authority issues the following Penalty Order to the Promoter, M/s Sree Vemuri Constructions:

- i. A penalty of **Rs.3,34,828/-** (Rupees Three Lakhs Thirty Four Thousand Eight Hundred and Twenty Eight Only) is hereby imposed

on the promoter, M/s Sree Vemuri Constructions under Sections 59 and 60 for violation of Sections 3 and 4 respectively payable by him within 30 days in favour of TG RERA FUNDS through Demand Draft or online payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036; and

- ii. The Promoter, M/s Sree Vemuri Constructions is directed to take appropriate steps to file an application for registration under Section 4 of the Act, 2016 within a period of 15 (fifteen) days; and
- iii. Till such time as this Authority does not grant registration certificate to the Project, the Promoter, M/s Sree Vemuri Constructions is restrained to advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any units arising out of GHMC permit bearing Nos. Municipal Permit No. 2670/GHMC/LBN/2022-BP and Permit No. 2669/GHMC/LBN/2022-BP dated 05.08.2022; and
- iv. Failure of the Promoter, M/s Sree Vemuri Constructions to comply with the above-mentioned directions shall be liable for penalty in accordance with Section 63 of the Act, 2016.

Dated this 8<sup>th</sup> day of November, 2024.

Sd/-  
Sri.Laxminarayana Jannu  
Hon'ble Member  
TG RERA

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

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