

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**Complaint No. 109 of 2024**

***Dated: 04<sup>th</sup> June 2025***

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

**Budi Venkata Ramana**

*(R/o H.No.11-14-262/C11/2F, 2<sup>nd</sup> floor upstairs of Jersey Milk Shop, plot no. C-11, Chitra Layout, Beside RR District court, L.B Nagar, Hyderabad – 500074)*

***...Complainant***

***Versus***

**1. M/s Prime Infratech**

*(Resp by Managing Partner Sri Krothhapalli Vikas, Regd office at Plot no.19, Veda's Prome House, 3<sup>rd</sup> floor, Jayabheri Enclave, Gachibowli, Hyderabad- 500032)*

**2. Sri Krothapally Vkas**

*(Owener of Villa 13, Pirme Alpenai, plot no.547, Vivekanada Nagar, Kukatpally, Hyderabad – 500072)*

**3. Sri Manne Lingam Mudiraj**

*(President, R/o Villa 14, Pime Alpenia, Behind SBI Mokilla, Mokilla (V), Shankarparlly(M), Ranga Reddy District 501203)*

**4. Dr.Eliabeth Zacharias**

*(General Secretary, R/o Villa no.21, Pime Alpenia, Behind SBI Mokilla, Mokilla (V), Shankarparlly(M), Ranga Reddy District 501203)*

**5. Mrs.Battu Subhashini Treasurer**

*(W/o Mahender Reddy, R/o Villa no.04, Pime Alpenia, Behind SBI Mokilla, Mokilla (V), Shankarparlly(M), Ranga Reddy District 501203)*

**6. Sri Mahendra Reddy**

*(R/o Villa no.04, Pime Alpenia, Behind SBI Mokilla, Mokilla (V), Shankarparlly(M), Ranga Reddy District 501203)*

**7. Smt. Anusha Nanadamuri**

*(W/o Sri Seshagiri Rao, R/o Villa no.21, Pime Alpenia, Behind SBI Mokilla, Mokilla (V), Shankarparlly(M), Ranga Reddy District 501203)*

***...Respondents***

The present matter filed by the Complainant herein came up for hearing on 13.02.2025 before this Authority in presence of Complainant in person and Respondents Counsels KP Saradhi & B Ravi; upon pursuing the material on record and on hearing arguments of the both the parties and having stood over for consideration till this day, the following order is passed:

### **ORDER**

2. The present Complaint has been filed by the Complainant under Section 31 of the Real Estate (Regulation & 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 relief(s) against the Respondents.

#### **A. The brief facts of the case, as stated by the Complainant, are as follows:**

3. The Complainant submits that Respondent No.2, who is the Managing Partner/Authorized Signatory of Respondent No.1 Partnership Firm, is also the Allottee/Owner of Villa No. 13 of "Prime Alpenia", Behind SBI Mokilla. This falls under Sections 2(zk), 2(zk)(vi), and 2(zg) read with Section 69 of the RERA Act 2016. The Complainant asserts that the Respondents have acted dishonestly and fraudulently by collecting unauthorized funds and failing to register the association, thereby violating the RERA Act and Telangana State Real Estate Rules. The Complainant seeks appropriate legal action and relief from this Honourable Authority

4. Respondent No.3, representing his wife Smt. Aruna, is a close relative of Sri Manne Kishtaiah, the former owner of 2-5.5 acres (out of 3-19.5 acres) in Sy.No. 132/AA, Mokila Village, Shankarpally Mandal, Ranga Reddy District. A Development Agreement-cum-General Power of Attorney was executed in favor of Respondent No.1 Firm/Promoter for developing the land for residential villas under the "Prime Alpenia" project.

5. Respondent No.3/his wife owns Villa No. 14 in "Prime Alpenia" and claims to be the President of the unregistered "Prime Alpenia Villa Owners Welfare Association". The project is registered with RERA (Project Registration No. P02400000067) and has an HMDA-approved layout (Permit No. 000144/LO/Pg/HMDA/2018, dated 16.10.2018).

6. The Complainant purchased Villa No.10, measuring 300 square yards, from Respondent No.1 & 2 through a Registered Sale Deed No. 8072/2021, dated 22.12.2021, and assessed to Property Tax. The Villa remained vacant until 31.04.2024 and was first let out on 01.05.2024.

7. On 18.02.2022, the Complainant paid Rs. 3,41,000/- for corpus fund and maintenance charges. Despite promises to form a registered society, the Promoter failed to do so. Consequently, the Complainant refused to pay further maintenance charges to the unregistered association, leading to harassment and threats from the Respondents. Further submitted that the villa has been totally vacant till 31.04.2024 and the same was let out with effect from 01.05.2024.

8. Further on 25.05.2023, the Respondent 1 conveyed meeting of all the owners, informing that he would form the registered society of villa residents, and further asked the complainant to pay the maintenance charges of villa for the month of June and July of 2023 to Respondent 7 herein, and accordingly paid the same to Respondent 7 on 11.07.2023 and 10.08.2023. However during the payment of maintenance charges for the month of July 2023, complainant specifically mentioned to Respondent 7 orally that in order to proper utilisation of money and also to ensure probity and transparency will be paying future maintenance charges only to the registered association of the villa owners.

9. Despite of lapse of considerable time, the association of allottees of the aforesaid Real Estate Project namely "Prime Alpenia" was registered either by promoter or by the 4<sup>th</sup> Respondent, and have not paid the maintenance charges of villa for the month of August 2023 to the Respondent 7.

10. The Respondent 7 isn't on clearing the maintenance arrears of the villa and during the course of the communication labeled the complainant as defaulter.

11. The Complainant sent a legal notice on 07.03.2024 to Respondents No.4 & 7, indicating willingness to pay maintenance charges to a registered association only. Despite this, the Respondents continued to harass the Complainant and his tenant, who also faced threats of utility disconnection. And compelled the complainant to pay Rs.76,725/- to Respondent 5.

12. Section 11(4)(e) of the RERA Act 2016 mandates the Promoter to form an association or society of allottees. Clause 19 of Annexure of Rule 38 appended to Telangana State Real

Estate (Regulation and Development) Rules 2017 outlines the formation process. However, Respondents No.1 & 2 have failed to comply, resulting in unauthorized and fraudulent collections.

13. The Respondents collected significant amounts for the Corpus Fund but did not transfer the funds to the unregistered association, using the money clandestinely by hand in glove with other Respondents

14. As per HMDA's final layout approval and conditions in G.O.Ms.No. 168, the roads and open spaces were to be handed over to the local authority, which is responsible for maintenance. However, the Respondents have not complied with these requirements.

**B. Relief(s) sought:**

15. The Complainant prays for an order directing the Respondents the following:

- a. To kindly impose a penalty of not less than double the amount of Rs. 2,43,775/- (Rupees Two Lakhs Forty Three Thousand Seven Hundred and Seventy Five only) on Respondents No. (1) to (7) herein as provided under section 34(1)(g) and section 38(1) of the RERA Act, 2016 read with Rule 22 of the Telangana State Real Estate (Regulation and Development) Rules, 2017 (issued in G.O.Ms. No.202, Municipal Administration and Urban Development (M1) Department, dated 31.07.2017). This penalty is sought for the respondents' illegal, dishonest, and unauthorized collection of Rs. 2,43,775/- under the guise of maintenance charges, without registering the association/society under the Telangana Societies Registration Act No. 35 of 2001 or the Telangana Cooperative Societies Registration Act No. 7 of 1964. Further, for the willful disobedience, non-compliance, and blatant violation of the provisions of the RERA Act, 2016, and the Telangana State Real Estate (Regulation and Development) Rules, 2017, resulting in wrongful gain and causing the complainant significant mental agony and financial loss. To kindly order the refund of Rs. 2,43,775/- (collected arbitrarily as maintenance charges without lawful registration and agreement) to the complainant and to create a sufficient first charge on all the assets and properties of Respondents as per section 100 of the Transfer of Property Act, 1882, in favor of the complainant and his heirs.

- b. To issue necessary directions to the respondents under sections 11(4)(a), 34(f), 37, and 38 of the RERA Act, 2016, to comply with all obligations and responsibilities as promoters/allottees of the real estate project, imposing necessary penalties and punishments as stipulated under the RERA Act, 2016, as deemed fit by the Telangana Real Estate Regulatory Authority.
- c. To award payment of costs, including all fees, charges, duties, penalties, and expenses, by the respondents to the complainant/his heirs for the mental agony and hardships caused to the complainant and his family members.
- d. To pass necessary orders imposing additional penalties and punishments on Respondent No.1 as stipulated under the RERA Act, 2016, or as deemed fit by this Honourable Real Estate Regulatory Authority, Telangana RERA, in the interest of justice and equity.

**C. Respondent 1 and 2 Reply:**

16. At the outset, it is submitted that the reliefs sought by the complainant are not within the powers, scope, authority, and jurisdiction of this Hon'ble Authority under Sections 11(4)(a)(e), 18(3), 19(9), read with Section 71 of the RERA Act. These respondents, being builders, are not amenable nor liable and responsible for the reliefs sought by the complainant. Therefore, at the outset and threshold, the complaint is liable to be dismissed as not maintainable, not only against these respondents herein but also against other respondents, as the reliefs being sought by the complainant relate to the formation of the association and getting it registered, which is not within the scope and powers as contemplated or envisaged under the Telangana Real Estate Regulatory Authority Act, 2016 (hereinafter referred to as the RERA Act). Admittedly, the complainant has been in possession of the villa purchased by him without any complaint against these respondents herein, either in relation to the construction or any defects or shortcomings in the construction. Therefore, unnecessarily, to harass these respondents, the complainant has intentionally and deliberately, despite knowing the scope and ambit of the powers conferred upon and being exercised by this Authority under the RERA Act, approached your authority. Hence, the above complaint is liable to be dismissed with exemplary costs even without going into the merits of the complaint allegations. The purpose for which the complainant approached this Authority is with oblique motives, and therefore, the Hon'ble Authority may kindly consider the conduct of filing false and vexatious litigation by the complainant herein.

17. These respondents submit that the project was undertaken as a promoter and completed, and possession was delivered to the purchasers under respective sale deeds. So far, no complaint whatsoever has been received in this regard. The complainant has also been given possession, and it is the responsibility and obligation of the complainant to pay the maintenance for common areas and facilities. When there is no dispute from the complainant, and it is not the grievance of the complainant that the promoter has collected maintenance charges from him, then the charges towards maintenance, which form the basis of the complaint, fall outside the scope of adjudication, particularly as against these respondents herein.

18. It is further submitted that the transfer of the corpus fund is to the association and not to individuals. It is also submitted that it is not the case of the complainant that the respondent/promoter is refusing to transfer the corpus fund. Admittedly, even according to the complainant, such an association is yet to be registered. In such an event, the complainant cannot have any grievance about the transfer or dispute over the corpus fund. Therefore, the above complaint relating to the association or corpus fund is untenable and is strongly denied by these respondents. Hence, no relief can be sought against these respondents, nor can any adjudication be made by this Authority in this regard.

19. It is submitted that the WhatsApp messages relate to the association and have nothing to do with these respondents as promoters. They pertain to the internal affairs among the purchasers of the villas, who appear to have formed an association and are looking after the maintenance. Therefore, these respondents are totally unconnected to the above transactions and WhatsApp messages and group, as elaborated extensively by the complainant in all the paragraphs up to 26. It is further submitted that the collection of an amount of Rs. 2,43,775/- towards payment of maintenance is not pertaining to these respondents. Admittedly, the amounts were paid by the complainant to the representatives of the maintenance association only. Therefore, the respondents are in no way concerned with the alleged complaint relating to the payment towards maintenance charges. The complainant may be put to strict proof against the claim made by him against these respondents, and the maintainability of the complaint for the reliefs sought against these respondents is merely an extraction of provisions of the RERA Act, which does not vest any rights in the complainant to institute the complaint against these respondents. Therefore, the jurisdictional issue has to be decided even prior to entertaining and adjudicating the complaint by this Hon'ble Authority.



20. These respondents respectfully submit that no relief, much less the reliefs sought by the complainant, can be granted by the Hon'ble Authority fastening liability against these respondents. Therefore, there are absolutely no merits in the above complaint, and the complaint is not maintainable under law or on facts. The same is liable to be dismissed in limine in the interest of justice and equity.

21. It is submitted that the respondents are the purchasers and residents of Prime Alpenia Villas, and they themselves, along with other residents, joined together to look after the maintenance and upkeep of the premises by providing facilities and amenities and also for the common maintenance of the said facilities. Therefore, with the consent and concurrence of the residents, these respondents have taken up the responsibility to look after the maintenance and accounts for receipts and payments, collecting and providing the facilities. The same has been accepted by all, including the complainant, as he did not raise any objection, nor has he volunteered to take up the responsibility for common maintenance. Therefore, the WhatsApp group was formed with the intention of interaction among the residents and owners of the villas and to share and communicate among themselves. Accordingly, they have formulated a procedure and are in the process of registering the association with the respective authority. In the meanwhile, the members have volunteered for common maintenance of the villas, as many of them have occupied and are utilizing the same. The maintenance charges were fixed, and all the members have been paying the maintenance charges, including the complainant. Hence, the complainant cannot have any grievance relating to the payment. He is fully aware that the registration of the association of the owners is in process, and therefore, there cannot be any grievance from the complainant. Since the association was formed and is being registered in due course, the complaint cannot raise any dispute or demand for any deposit or refund or for payment of any compensation. The amount was paid towards maintenance charges. The complainant cannot claim that maintenance charges should be collected only from the date of lease; the same applies from the date of handing over possession, and all have to share the common expenditure for common facilities. Being the owner of the villa, the complainant is bound to pay maintenance charges. Therefore, it is strongly denied and disputed by these respondents that the complainant can avoid paying the maintenance charges for common maintenance and still approach the Hon'ble Authority without any right or entitlement to lodge a complaint against these respondents herein.

21. It is submitted that the accounts are being maintained for the total collection, but the complainant never bothered to inspect and verify them. Instead, he approached the Hon'ble Authority, which is not vested with any rights or jurisdiction to entertain this complaint or adjudicate the grievance relating to the formation of the association by the owners. Therefore, the above complaint is not maintainable and is liable to be dismissed in limine.

22. These respondents strongly deny and dispute the jurisdiction of the Hon'ble Authority to entertain and adjudicate the complaint. The complainant may be called upon to satisfy the Hon'ble Authority regarding the maintainability of the complaint against these respondents and for the reliefs sought in the above complaint.

23. The complainant cannot seek the same or similar reliefs by filing two complaints for the same cause of action and grievance. Two complaints cannot be maintainable, and therefore, both are liable to be dismissed in limine. The scope and powers under Section 71 of the RERA Act cannot be invoked by the complainant without making out a case to entertain the complaint against these respondents. Therefore, on this ground alone, the complaint is liable to be dismissed in limine with exemplary costs.

24. It is therefore prayed that the Hon'ble Authority may be pleased to dismiss the complaint and may pass such other order or orders as this Hon'ble Authority may deem fit and proper in the interest of justice.

#### **D. Respondent 2-7 Reply:**

25. At the outset, it is submitted that the reliefs sought by the complainant are not under Section 11(4)(a), (e), 18(3), 19(9), read with Section 71 of the RERA Act, and these respondents, being an association, are not amenable to or liable and responsible for the reliefs sought by the complainant. Therefore, at the outset and threshold, the complaint is liable to be dismissed as not maintainable, not only as against these respondents herein but also against other respondents, as the reliefs which are being sought by the complainant relate to the formation of the association and getting it registered, which is not within the scope and powers as contemplated or envisaged under the Telangana Real Estate Regulatory Authority Act, 2016 (which is hereinafter referred to as the RERA Act). Admittedly, the complainant has been in possession of the villa which was purchased by him, without any complaint as against the respondent Nos. 1 & 2, either in the construction or any defects or shortcomings of the



construction. Therefore, unnecessarily, to harass these respondents, the complainant intentionally and deliberately, having known the scope and ambit of the powers conferred and being exercised by the Authority under the RERA, approached your Authority. Therefore, the above complaint is liable to be dismissed with exemplary costs, even without going into the merits of the complaint allegations, and the purpose for which the complainant approached this Authority is with oblique motives. Therefore, the Hon'ble Authority may kindly consider the conduct of filing false and vexatious litigation by the complainant herein.

26. These respondents submit that the project was undertaken by respondent Nos. 1 & 2 and completed the same, and possession was delivered to the purchasers under respective sale deeds, and so far, no complaint whatsoever is received in this regard. So also, the complainant was also given possession, and it is the responsibility and obligation of the complainant to pay the maintenance for common areas and facilities. When there is no dispute from the complainant also, it is not the grievance of the complainant that the promoter has collected maintenance charges from the complainant, and whatever the charges towards maintenance, of which the above complaint was filed, is outside the scope for adjudication and particularly as against these respondents herein.

27. These respondents respectfully submit that no relief, much less the reliefs sought by the complainant, can be granted by the Hon'ble Authority, fastening the liability against these respondents, and therefore, there are absolutely no merits in the above complaint, and the complaint is not maintainable under law or on facts, and therefore, the same is liable to be dismissed in limine in the interest of justice and equity.

28. It is submitted that the respondents are the purchasers and residents of Prime Alpenia Villas, and they themselves, along with other residents, joined together to look after the maintenance and upkeep of the premises, by providing the facilities and amenities and also for common maintenance of the said facilities. Therefore, with the consent and concurrence of the residents, these respondents have taken up the responsibility to look after the maintenance and accounts for the receipts and payments, and collecting and providing the facilities, and the same has been accepted by all, including the complainant, as he did not raise any objection, nor has he volunteered to take up the task of responsibility for common maintenance. Therefore, the WhatsApp group is with an intention to have interaction among the residents and owners of the villas, and to share and communicate among themselves. Therefore, they have formulated the procedure and are also under the process of registration of the association with the

respective authority. In the meanwhile, the members have volunteered for common maintenance of the villas, as many of them occupied and are utilizing the same, and also the maintenance charges were fixed, and all the members have been paying the maintenance charges. So also, the amounts were paid by the complainant, and the complainant cannot have any grievance relating to the payment, and also he is fully aware that the registration of the association of the owners is under process. Therefore, there cannot be any grievance from the complainant, as much as the association was formed and is being registered by them in due course of time. However, the complainant cannot raise any dispute and demand for any deposit or refund or for payment of any compensation, as much as the amount is paid towards maintenance charges, and it is not for the complainant to say that maintenance charges can be collected from the date when the property was given under lease. The same are from the date of handing over possession, and all have to share the common expenditure for the common facilities. Being the owner of the villa, the complainant is bound to pay the maintenance charges. Therefore, it is strongly denied and disputed by these respondents that the complainant cannot pay the maintenance charges for the common maintenance and can approach the Hon'ble Authority without any right or entitlement to lodge a complaint against the respondents herein..

29. It is submitted that the accounts are being maintained for the total collections, but the complainant never bothered to inspect and verify, but approached the Authority, which is not vested with any rights or jurisdiction to entertain the complaint and also to adjudicate and determine the grievance relating to the formation of the association by the owners. Therefore, the above complaint itself is not maintainable and is liable to be dismissed in limine.

30. These respondents strongly deny and dispute the jurisdiction of the Hon'ble Authority to entertain the complaint and to adjudicate the same, and the complainant may be called upon to satisfy the Hon'ble Authority about the maintainability of the complaint as against these respondents for the reliefs sought for in the above complaint.

31. The complainant cannot seek same and similar reliefs by filing two complaints for the same cause of action with the same grievance, and two complaints cannot be maintainable. Therefore, both are liable to be dismissed in limine. The scope and powers under Section 71 of the RERA Act cannot be invoked by the complainant without making out any case to entertain the complaint against these respondents herein. Therefore, on that ground itself, the complaint is liable to be dismissed in limine with exemplary costs.

32. It is therefore prayed that the Authority may be pleased to dismiss the complaint and may pass such other order or orders as this Authority may be pleased deems fit and proper in the interest of Justice.

**E. Rejoinder:**

33. The Complainant denies the contentions of Respondents No. 1 and 2 in Para No. (1) of their counter, asserting that their claims regarding lack of jurisdiction under the RERA Act are false and untenable. The functions and duties of Promoters, as per Sections 11, 18, and 19 of the RERA Act, include responsibilities toward the formation of an Association under Section 19(9). As per Rule 2(1)(b) of RERA Rules 2017, an Association is a legal collective of allottees.

34. Section 36 empowers this Authority to impose penalties for contraventions by Promoters, and Section 61 authorizes penalties for violations. Additionally, Section 34(f) mandates compliance with obligations under the Act, and Section 79 bars civil court jurisdiction in real estate matters. The Complainant submits that Respondents are bound by these provisions.

35. Despite obligations under Sections 11(4)(e), 19(9), and Rule 2(1)(b), Respondents failed to register an Association or form an agreement with the local authority. Instead, they collected maintenance charges and corpus funds in their individual capacities, amounting to Rs. 3,41,000/- from the Complainant, and approximately Rs. 37,51,000/- from all Villa owners. These funds have not been transferred to an Association, violating mandatory provisions.

36. The Hon'ble Supreme Court in *Newtech Promoters & Developers Pvt. Ltd. vs. State of Uttar Pradesh* (2021) clarified the jurisdiction of RERA authorities to address complaints against Promoters and ensure compliance. Hence, the contention of Respondents regarding jurisdiction is baseless.

37. The Complainant further refutes the claim that they filed the complaint with oblique motives, emphasizing that Respondents' failure to fulfill statutory obligations has caused legal injury to the Complainant. The actions of Respondents No. 1 & 2, in collusion with Respondents No. 3 to 7, are detrimental to the interests of Villa owners and violate RERA

provisions. The Complainant seeks reliefs as prayed, asserting that the complaint is maintainable under Section 31 of the RERA Act.

38. In reply to the averments made by Respondents No. 1 & 2 in Para No. (10) of their counter, the Complainant denies all the contentions and averments made therein, except those specifically admitted herein.

39. It is specifically denied that the Complainant has filed two complaints for the same cause of action or grievance. The Complainant reiterates that the two complaints, namely “CC No. 109/2024/TG RERA” and “CCP No. 10/2024/TG RERA,” are distinct in nature and pertain to different legal remedies as provided under the RERA Act.

1. The complaint “CC No. 109/2024/TG RERA” seeks imposition of penalties on the Respondents under **Sections 34(f), 34(g), and 38(1)** of the RERA Act, 2016 read with Rule 22 of the TG RERA Rules, 2017.
2. The complaint “CCP No. 10/2024/TG RERA” seeks compensation for damages as provided under **Section 18(3)** of the RERA Act, 2016.

40. It is pertinent to note that the Honourable Supreme Court of India in *Newtech Promoters & Developers Pvt. Ltd. vs. State of Uttar Pradesh (2021)* has categorically held that claims for compensation and claims for penalties are distinct and must be pursued separately before the competent authorities under the RERA framework. Hence, the contention of the Respondents that filing these complaints constitutes duplication or abuse of process is misconceived, baseless, and liable to be rejected.

41. In reply to the averments made by Respondents No. 1 & 2 in Para No. (11) of their counter, the Complainant denies all the contentions and averments made therein, except those specifically admitted.

42. It is submitted that the Respondents' contention questioning the jurisdiction of this Honourable Authority is untenable and demonstrates a lack of understanding of the statutory framework of the RERA Act, 2016.

1. Section 31 of the RERA Act empowers this Honourable Authority to entertain complaints relating to contraventions or violations of provisions of the Act or Rules.

2. Section 79 of the Act specifically bars civil courts from exercising jurisdiction over disputes that fall within the scope of the RERA framework.

43. The Complainant submits that the present complaint has been filed in accordance with the provisions of the RERA Act, 2016 and is therefore maintainable. The Honourable Supreme Court in *Manish Kumar vs. Union of India (2021)* has further clarified that the RERA Act is a special legislation with overriding provisions (Section 89) and is meant to provide speedy and effective remedies to aggrieved persons.

44. In view of the above, the denial of jurisdiction by the Respondents is not only legally unsustainable but also an attempt to evade their statutory obligations.

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

45. At the threshold, the Respondents have questioned the maintainability of the present complaint before this Authority. Hence, it is imperative for this Authority to first determine whether the issues raised herein fall within the jurisdiction conferred under the Real Estate (Regulation and Development) Act, 2016 .

46. The primary grievance of the Complainant pertains to the failure of Respondent No.1, the Promoter, to facilitate the formation of a registered association of allottees, as mandated under the Act. The Authority notes that Section 11(4)(e) of the Act imposes a statutory obligation on the promoter to *"enable the formation of an association or society or co-operative society, as the case may be, of the allottees, or a federation of the same, under the applicable laws."*

47. Failure to discharge this obligation constitutes a contravention of the promoter's duties under the Act. Such failure directly impairs the rights and interests of allottees and falls squarely within the jurisdiction of this Authority. Therefore, the complaint, insofar as it relates to the promoter's default in enabling the formation of an association, is clearly maintainable before this Authority.

48. The Authority now turns to the secondary issues raised by the Complainant, particularly concerning the legitimacy and conduct of Respondents No.3 to 7, who are stated to be managing the affairs of the project jointly with other owners of the Villas.

49. The Complainant contends that he is being compelled to pay maintenance charges to these Respondents despite the fact that they do not constitute a registered association. In response, Respondents No.3 to 7 has submitted that they are allottees who have voluntarily undertaken the responsibility of maintaining the common areas and have initiated the process of registering the association already. They assert that maintenance charges are being collected pursuant to a collective decision of all the allottees of the concerned project to ensure proper upkeep of the project premises.

50. The Authority, however, is constrained to observe that the RE(R&D Act, 2016 does not empower this Authority to adjudicate internal disputes between allottees or between residents and an unregistered managing group. Its jurisdiction under the RE(R&D Act extends only to issues concerning the obligations of the promoter, including but not limited to failure to form an association and non-handover of common areas, as per Section 17(1) of the RE(R&D Act.

51. Internal disagreements between allottees or residents regarding day-to-day affairs, election disputes, financial management of associations, or maintenance billing disputes are matters that do not fall within the statutory mandate of this Authority. Such disputes are civil in nature and are appropriately to be dealt with before other competent forums, such as the Co-operative Societies Registrar or Civil Courts.

52. It is also brought on record that the Complainant has already approached the office of the Registrar, Telangana Co-operation Department, on 15.10.2024, with respect to these very issues. That being so, the matter is already sub judice before the appropriate authority.

53. That being said, it is essential to underscore that in the event any act or omission by an informal resident group or a registered association directly violates or obstructs the provisions of the RE(R&D) Act, particularly where the rights of allottees or obligations of the promoter under the Act are being prejudiced, this Authority shall not shy away from exercising its jurisdiction under the Act to the extent necessary. Such intervention would be in furtherance of the legislative intent underlying the enactment of the RE(R&D) Act namely, the promotion of transparency, accountability, and protection of consumer interests in the real estate sector.

54. This Authority reiterates that both the promoter and the allottees are bound by the statutory framework of the RE(R&D) Act, 2016. The promoter, in particular, cannot abdicate its statutory responsibility to enable the formation of an association by merely asserting that a



group of allottees has voluntarily undertaken certain responsibilities. The duty under Section 11(4)(e) is not a discretionary or optional requirement it is a mandatory statutory obligation, and any failure in that regard invites appropriate regulatory scrutiny and action under the RE(R&D) Act.

55. Such a submission does not absolve the promoter of its statutory duty to formally enable the structure for the formation of an association of allottees, as envisaged under Section 11(4)(e) of the RE(R&D) Act. The obligation under the said provision is not contingent on the voluntary conduct of the allottees; rather, it is a positive legal duty cast upon the promoter to initiate and facilitate the formation of a registered association under applicable law.

56. Further, once the association is duly constituted, the promoter is also obligated, in accordance with Section 17(1) of the RE(R&D) Act, to hand over the common areas to such association. These statutory mandates are neither discretionary nor optional and must be complied with in letter and spirit.

57. Accordingly, Respondent No.1 is hereby directed to take immediate and effective steps to facilitate the formation of a registered association of allottees in compliance with Section 11(4)(e) of the RE(R&D) Act.

58. Further the Complainant, being an allottee of the project, cannot evade liability for payment of maintenance charges merely on the ground that his unit remains vacant. As per Section 19(6) of the RE(R&D) Act, an allottee is under a statutory duty to pay "interest, if any, on such charges for the maintenance of the real estate project, as specified by the promoter or the association of allottees, as the case may be.

59. Thus, the Complainant is legally obligated to pay maintenance charges during the period of possession, irrespective of it being kept vacant.

#### **G. Directions of the Authority:**

60. Based on the facts submitted, evidence on record, and the findings given thereon by us as discussed herein above, this Authority directs the following:

- a. Respondent No.1 is hereby directed to take all necessary steps to enable and facilitate the registration of the association of allottees, in accordance with Section 11(4)(e) of the Act and applicable local laws, within a period of 45 days from the date of this Order.

- b. The Complainant is directed to comply with the statutory obligations under Section 19(6) of the Act and pay maintenance charges as applicable, until such time as a registered association is formally constituted and takes charge.
  - c. Respondent 1 is hereby informed that failure to comply with this order shall attract Section 63 of the RE(R&D) Act.
61. The complaint stands disposed of in the above terms. There shall be no order as to costs.

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

**Sd-  
Sri. Laxminaryana Jannu  
Hon'ble Member  
TG RERA**

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

