

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

Dated:9th October 2025

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

COMPLAINT NO. 78 OF 2024

Between

Smt. C. Vani Reddy

*(W/ohupati Reddy, R/o Srusti Symphoy, flat no,303,A block,Kalajyoti Road,Masjid Banda,
Hyderabad – 500084)*

.... Complainant

AND

1. M/s Srusti Infra Developers Pvt. Ltd.

*(Rep by its Chairman Sri R Shyam Sunder Rao, R/o 21/A, HIG Phase III, New Santoshnagar
Colony, Hyderabad, Telangana – 500059)*

2. G. Venkatesh Reddy – Managing Director,

*(Managing Director of M/s Srusti Infra Developers (I) Pvt Ltd., R.o Flat no.501, Habitt
Home, street no.08, Hubsiguda, Hyderabad, Telangana – 500007)*

3. Jupally Rajashekar Rao – Managing Director,

*(Director of M/s Srusti Infra Developers(I) Pvt.Ltd R/o Lanco Hills Khajaguda,
Hyderabad)*

4. Srusti symphony flat owners mutually aided co-operative maintenance society limited

**5. (Rep by its Secretary Mr.Panjala Digamber Goud- flat no.g-01, ground floor, block B,
Srusti Symphony Apartments, #1-55/1, survey no.186/P, 187/P, Masjid banda, Kondapur,
Village, Serilingampally, Mandal,GHMC Serlinigampaly circle, Ranga reddy District,
Telangana State-500084)**

.... Respondents

COMPLAINT NO. 98 OF 2024

Between

Sri Nyayapati Pattabhi Ramamiah

*(S/o Nayatpati Ramanuja Swamy, R/o Srusti Symphony, flat no.306, Block E(Sarod),
Hyderabad 500084)*

....Complainant

AND

1. M/s Srusti Infra Developers Pvt. Ltd.

(Rep by its Chairman Sri R Shyam Sunder Rao, R/o 21/A, HIG Phase III, New Santoshnagar Colony, Hyderabad, Telangana – 500059)

2. G. Venkatesh Reddy – Managing Director,

(Managing Director of M/s Srusti Infra Developers (I) Pvt Ltd., R.o Flat no.501, Habitt Home, street no.08, Hubsiguda, Hyderabad, Telangana – 500007)

3. Jupally Rajashekar Rao – Managing Director,

(Director of M/s Srusti Infra Developers(I) Pvt.Ltd R/o Lanco Hills Khajaguda, Hyderabad)

4. Mrs. Vara Laxmi – Director,

(W/o Jupally Raja Shekar Rao, Director, M/s Srusti Infra Developers (I) Pvt.Ltd. Khajaguda, Hyderabad)

5. Mrs. Vimala Devi Katikaneni,

(W/O R.Shyam Sunder Rao, Director of M/s Srusti Infra Developers (I) Pvt.Ltd Khajaguda, Hyderabad)

6. Mrs. G. Swana - Additional Director

(W/o G Venkatesh Reddy, Addl.Director, of M/s Srusti Infra Developers (I) Pvt.Ltd Khajaguda, Hyderabad)

7. Srusti symphony flat owners mutually aided co-operative maintenance society limited

(Rep by its Secretary Mr.Panjala Digamber Goud- flat no.g-01, ground floor, block B, Srusti Symphony Apartments, #1-55/1, survey no.186/P, 187/P, Masjid banda, Kondapur, Village, Serilingampally, Mandal,GHMC Serlinigampaly circle, Ranga reddy District, Telangana State-500084)

.... Respondents

The present Complaints, filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the “RE(R&D) Act”), read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the “TG RE(R&D) Rules”), have been taken up for joint hearing as per the consent of both the Complainants and the Respondents.

2. The present complainant came up for hearing before the authority wherein during the course of the hearing, the Complainants appeared in person. Respondents No. 1, 2, and 3 in

both matters were represented by their learned Counsels Mr. Parikshith Kuttur, Mr. Sudhakar Reddy Calla, and Mr. Anvesh C. Desai. Respondent No. 4 in Complaint No. 78 of 2024 and Respondent No. 7 in Complaint No. 98 of 2024 both being the same entity, namely the Srusti Symphony Flat Owners Mutually Aided Co-operative Maintenance Society Ltd. (hereinafter referred to as the “Association”) were represented by the Counsel from the office of M/s P. Govardhan Reddy.

3. As the issues raised in both complaints are substantially similar and arise out of the same project and developer entity, the matters were clubbed and heard together for the purposes of adjudication. The Authority hereby passes the following **COMMON ORDER**:

A. Briefs facts of the case as stated by the Complainants:

4. The Complainants C. Vani Reddy (*hereinafter Complainant 1*) and Nyayapati Pattabhi Ramamiah (*hereinafter Complainant 2*) submitted that M/s Srusti Infra Developers (I) Pvt. Ltd., Hyderabad, launched a gated community residential project under the name “Srusti Symphony” situated in Sy.No.186(P) & 187(P), Masjidbanda, Kondapur Village, Serilingampally Mandal, within GHMC Serilingampally Circle, Ranga Reddy District, Telangana. The Respondents had widely advertised the project by issuing brochures and promotional materials highlighting the project specifications, master plan, and amenities. Attracted by such representations, Complainant 1 purchased Flat No. 303, A-Block in the said project in the year 2021 and the same was registered vide Document No. 523/2021, and Complainant 2 purchased Flat No. 306, Block-E in the said project in the year 2022, and the same was registered vide Document No. 4366/2022.

5. The Complainant No. 1 submitted that an amount of Rs. 3,26,000/- (Rupees Three Lakhs Twenty-Six Thousand only), and Complainant No. 2 submitted that an amount of Rs. 1,34,000/- (Rupees One Lakh Thirty-Four Thousand only), calculated at the rate of Rs. 100/- per sq. ft., was paid by them towards the corpus fund to the seller at the time of purchase. It was contended that, as per the project specifications and mutual understanding, the promoter was obligated to complete the project, obtain the Occupancy Certificate (OC) from GHMC, and hand over possession along with all requisite documents and sanctioned plans. Further, the corpus fund so collected was to be duly transferred to the association of allottees, which has not been done till date.

6. It was further submitted that the Respondents abruptly abandoned the project without completing various essential works including fire safety systems, swimming pool, rainwater

harvesting pits, clubhouse, and sewerage treatment plant. Moreover, the Complainants submitted that substandard construction work was carried out on the terrace, resulting in water stagnation and potential structural damage to the cellar area where parking has been allotted.

7. The Complainants submitted that the Respondents have retained the corpus fund collected from allottees at the rate of Rs. 100/- per sq. ft. In addition to this, an amount of Rs. 6,00,000/- (Rupees Six Lakhs only) was paid by the Complainants towards parking and clubhouse facilities (amenities), the benefit of which remains unrealized due to non-completion and non-transfer.

8. The Complainants submitted that the Respondents have failed to take necessary steps for converting the electrical connection from commercial to domestic use. It is submitted that the electricity connection is still maintained as a commercial one in the name of M/s HARP Rubber Products, which is causing the residents to incur higher electricity charges. Despite repeated requests, no action has been taken by the Respondents in this regard.

9. It was further submitted that the Respondents have dissolved the original development entity, M/s Srusti Infra Developers (1) Pvt. Ltd., and have floated new companies using separate identification credentials to undertake other real estate projects, thereby avoiding their responsibility and obligations under the present project.

10. The Complainants submitted that due to the Respondents' failure to complete the project in accordance with the sanctioned plan and specifications, the GHMC has withheld the issuance of the Occupancy Certificate. As a result, the project is not eligible for the free water supply scheme (20,000 litres per household), leading to an additional financial burden on the residents who collectively spend approximately Rs. 25 lakhs annually for water. The Complainant himself pays a monthly maintenance amount of Rs. 3,900/- along with seasonal water charges of Rs. 2,000/- to Rs. 3,000/- during the summer period.

11. The Complainants submitted that despite being obligated to remit the corpus fund to the association of allottees, the Respondents have failed to transfer an aggregate amount exceeding Rs. 2.45 crores (inclusive of interest), thereby denying the association its rightful dues.

12. The Complainants raised concerns about the substandard construction works undertaken by the Respondents, particularly with regard to drainage pipelines that leak onto vehicles parked in the cellar. It was further submitted that the failure to install proper window fittings has led to accumulation of rainwater in the corridors, causing inconvenience and damage.

Additionally, inferior quality materials used on the terrace have resulted in seepage into individual flats and damage to ceilings.

B. Relief Sought

13. Aggrieved by the actions of the Respondent, Complainants sought for the following reliefs:

- i. *Direct the respondents to pay interest on the Rs. 3,26,000 and Rs. 1,34,000/—corpus funds collected from Complainant 1 and Complainant 2, respectively, but not remitted to the complainants from March 2022 until the refund date. Also, direct the Respondents to hand over the Corpus Fund along with interest and the Occupancy Certificate to the ad hoc committee.*
- ii. *Direct the respondents to pay interest on Rs. 17,857 per year for three years (totaling Rs. 53,571) from 2022 until remittance and reimburse the complainant Rs. 17,857 per year for water charges.*
- iii. *Direct the respondents to pay Rs. 10 lakhs in damages for unfinished works, including the swimming pool, substandard terrace work, non-fixing of windows in corridors, and substandard drainage pipelines.*
- iv. *Direct the respondents to immediately complete the works and pay the damages for the following:*
 - a. *Completion of swimming pool*
 - b. *Obtaining Occupancy Certificate to reduce water bills*
 - c. *Completion of firefighting works left unfinished*
 - d. *Repairing the terrace*
 - e. *Fixing windows in corridors to avoid rainwater ingress*
 - f. *Completing parking in the stilt area*

C. Counter on behalf of the Respondent:

14. That the Complainant had approached this Hon'ble Authority with unclean hands by suppressing material facts and, on that ground alone, the complaint was liable to be dismissed as devoid of merit and filed with mala fide intent. With respect to the allegation concerning the non-obtainment of the Occupancy Certificate (OC), they stated that an application had been filed with the GHMC on 01.10.2021 and that the delay in issuance had resulted from objections raised by GHMC including the non-development of the tot-lot, the construction of the Sewage Treatment Plant within that area, the non-submission of block-wise details in the common

application form, and non-compliance with specific conditions set out in Permit No. 53443/HO/WZ/Cir-11/2016. The Respondents had taken all necessary steps to resolve these issues, submitting revised plans and engaging in discussions with GHMC officials and, notwithstanding the transfer of the officer concerned, had made every effort to expedite OC issuance. They further denied that any deviation from the sanctioned plan or specifications had occurred and maintained that the maintenance charges of Rs. 6,000/- had been pre-decided and bore no relation to the OC delay.

15. That the corpus fund had not yet been transferred to the Association because the formal body of allottees was yet to be constituted under the applicable laws. However, to demonstrate their bona fide intent, they had entered into a Memorandum of Understanding with an Ad-Hoc Committee of allottees on 21.02.2023, under which possession of units Nos. 101 and 103 (1,215 sq. ft. each in Block E, Sarod) and Flat No. 108 (1,710 sq. ft. in Block B, Sarangi) had been handed over as security towards the corpus fund. In response to allegations of substandard construction, they had put the Complainant to strict proof, noting that 140 of the 170 flats had been occupied without any complaints, that Complainant 2 had acquired his flat from an earlier allottee who had executed a Letter of Possession expressing satisfaction with its condition, and that letters from other flat-owners affirming the quality of construction had been placed on record. With regard to the electricity connection, the process of converting the common meter from commercial to domestic use had been initiated on 19.11.2019, all dues had been duly paid, and approval was pending, which the Respondents were actively pursuing. They had further assured the Authority that construction of the swimming pool was in progress, work orders had been issued, and the facility would be made available to residents at the earliest upon receipt of the necessary approvals.

16. That the Respondents deny each of the remaining allegations relating to fire-safety systems, rain-water harvesting pits, clubhouse facilities, and the quality of terrace work, as baseless and motivated solely by an intention to malign their reputation. In conclusion, they submitted that the complaint was not maintainable, was devoid of merit, and comprised false, frivolous, and malicious allegations. The Respondents, therefore, prayed that the complaint be dismissed with exemplary costs in the interest of justice.

D. Rejoinder filed by Complainant 1:

17. That the allegation of unclean hands was baseless and, in fact, it was the Respondents who, with mala fide intent, had abandoned the project without completing works as per the sanctioned master plan, thereby causing financial and mental distress amounting to fraud. With regard to the Occupancy Certificate, the mere act of applying on 01.10.2021 had not absolved them of their statutory duty under Section 11 of the RERA Act, 2016; after executing sale deeds and handing over possession, they had been bound to secure the OC within a time-bound period. Their continued failure over more than three years had exposed occupants to legal and physical risks, including a lack of insurance coverage in case of fire or accidents, and, despite promises to expedite in 2021, no documentary proof of any steps taken had been provided, thereby undermining their credibility. Furthermore, the contention that maintenance charges were unrelated to the OC was incorrect: in the absence of OC, GHMC had withheld free water supply, forcing residents to incur approximately Rs. 3 lakhs monthly on water, while common-area electricity remained on a commercial tariff; the Complainant had paid Rs. 6,000 per month plus an additional Rs. 3,000 annually during summer. Of the 170 flats, 150 had been occupied and 20 had remained under the Respondents' possession, who had failed to pay maintenance on these units, resulting in a shortfall of nearly Rs. 30 lakhs unfairly passed on to the remaining residents, including the Complainant.

18. That the Rs. 3,26,000 of the Corpus Fund in her case had been unlawfully withheld and it had been the promoter's duty to facilitate the formation of the association and to transfer the fund into a separate or escrow account, and the MoU dated 21.02.2023 handing over keys of three flats could not substitute this statutory obligation. The Respondents' failure to disclose account details for the corpus fund had indicated misappropriation and constituted civil misconduct warranting penal and compensatory action. Contrary to their claim of no other grievances, multiple letters from residents since 2021 had demonstrated collective dissatisfaction, and their assertion that the complaint maligns them had served only to divert attention from their lapses, namely, failure to secure the OC and mismanagement of funds. Moreover, the mere issuance of possession letters and a "satisfactory" sale transaction had not discharged their ongoing obligations to complete works, hand over documents, rectify construction defects, and comply with building norms; such inaction and vague assurances had continued to diminish property value and harm the Complainant's investment. The Complainant had further noted that she had been charged Rs. 10,00,000 towards amenities (including parking), whereas other flat owners had paid only Rs. 6,00,000, yet the promised

fire-safety system remained incomplete, with only unfinished pipes and hoses in place and no justification provided.

19. That the Respondents' claim of ongoing work had been unsubstantiated: despite repeated statements over the last three years, there had been no visible progress on amenities such as the swimming pool, and no documentary evidence of work progression had been furnished, rendering their statements unreliable and evasive. As per the brochure, additional facilities, a badminton court, half basketball court, intercom system, and cricket practice net had been promised but remained unfulfilled; the terrace had remained unfinished, causing rainwater stagnation both on the terrace and in parking areas, as evidenced by photographs annexed to this rejoinder, which had substantiated these deficiencies and demonstrated the Respondents' unprofessionalism and breach of promises. The absence of the OC had even prevented GHMC from levying property tax on individual units, further reflecting the project's non-completion. In view of these breaches of the RERA Act and applicable building permission rules, and given that more than three years had lapsed without fulfillment of obligations, the Respondents' counter had been evasive and devoid of any documentary evidence demonstrating good faith or compliance.

E. Rejoinder Filed by Complainant 2:

20. That the Respondents had failed to adequately address the allegations and issues raised in the complaint. The flat was purchased from Mr. Malapaka Sampath Kumar with the legitimate expectation that the Respondents would complete the project in accordance with the sanctioned master plan and applicable legal norms. However, despite repeated assurances including those made by the lawyer representing the Ad Hoc Committee that the Occupancy Certificate (OC) and Corpus Fund would be handed over shortly, no progress had been made for over two years. The Complainant had even been dissuaded from filing a complaint before this Hon'ble Authority and was offered preferential parking in return. With all other avenues exhausted and no resolution forthcoming, the Complainant was compelled to approach this Authority, even though other allottees had refrained due to personal reasons. In response to Para 2 of the counter, the Complainant denied the allegation of approaching with unclean hands, and submitted that it was the Respondents who, with mala fide intent, had abandoned the project mid-way, deviated from the sanctioned plan, and thereby committed acts amounting to fraud and blatant disregard of their statutory duties.

21. That the mere act of applying for an OC on 01.10.2021 did not absolve the Respondents of their continuing legal duty under Section 11 of the RERA Act, 2016 to secure the certificate in a time-bound manner. The Respondents' failure to do so had exposed the Complainant and other residents to serious risks in case of emergencies, while simultaneously diminishing the value of their properties. Despite meetings and assurances in 2021, the Respondents had failed to submit any evidence of progress. The Complainant further submitted that objections raised by GHMC were internal matters for which the promoter was solely responsible. The project remained incomplete, and even after the filing of the complaint, the OC had not been granted, clearly establishing the Respondents' non-compliance. Regarding maintenance charges, the claim that they were pre-decided and unrelated to the OC was untenable. Due to the absence of OC, free water supply from GHMC had been denied, leading to a monthly burden of Rs. 3 lakhs on the residents, as evidenced by demand notices issued by the Hyderabad Metropolitan Water Supply and Sewerage Board. Electricity for common areas continued to be charged at commercial rates. Moreover, the Respondents had retained 20 unsold flats and defaulted on approximately Rs. 30 lakhs in maintenance dues, which had unfairly been shifted onto the remaining allottees.

22. That the Respondents' refusal to transfer the Corpus Fund due to non-formation of an association was in clear violation of their statutory obligation. The Respondents had failed to place the corpus in a separate or escrow account and had misappropriated the same, as evidenced by their refusal to disclose any account details. The MOU dated 21.02.2023 through which keys to three flats were handed over to an Ad Hoc Committee could not substitute the legal requirement. This misuse of the Corpus Fund amounted to civil misconduct warranting penal and compensatory action. In reply to Para 7, the Complainant denied that there were no other grievances. Several residents had sent letters to the builder since 2021, copies of which were annexed. Possession alone did not absolve the Respondents of their duties to obtain the OC and hand over common amenities and documents. Inaction for over three years and failure to address written communications had caused a significant decline in property value. The Complainant had paid Rs. 6,00,000 towards parking and amenities but had not received the promised facilities especially the fire safety system, which remained incomplete and posed a serious threat. In reply to Para 10, it was submitted that the claim of "ongoing work" was unsubstantiated, with no visible progress on-site or documentary evidence produced, despite repeated statements over two years. The swimming pool remained non-functional, though separate charges had been collected. The brochure promised a badminton court, half basketball

court, cricket net, and intercom, none of which were provided. Photographic evidence annexed to this rejoinder clearly showed the terrace and parking areas in an incomplete state, with water stagnation and poor construction quality. In conclusion, the Complainant submitted that the Respondents had blatantly violated the RE(R&D) Act and failed to comply with applicable building regulations. More than two years had lapsed without any significant progress on securing the OC or fulfilling promised amenities, compelling the Complainant to approach this Hon'ble Authority to enforce her legal rights and seek redress.

F. IA. NO. 4 and 5 of 2025 filed by the Respondent:

23. The Respondent had filed an Interlocutory Application (I.A.) seeking to implead the “Srusti Symphony Flat Owners Mutually Aided Co-operative Maintenance Society Limited” (hereinafter referred to as the “Impleaded Respondent”), which is the registered association representing the allottees of the project “Srusti Symphony”. Upon perusal of the pleadings and considering the nature of reliefs sought by the Complainants particularly those pertaining to common amenities, maintenance, and corpus fund the Authority was of the considered view that the said association constitutes a proper and necessary party for the effective adjudication of the issues involved. Accordingly, the said I.A. was allowed, and the association was impleaded as a Respondent to the present proceedings.

24. It is further observed that the Complainants had also filed an Interlocutory Application seeking appointment of a third-party technical agency for inspection of the project. However, after examining the material on record and the stage of the proceedings, the Authority was not satisfied that sufficient grounds had been established to warrant such inspection at this juncture. Accordingly, the said I.A. seeking third-party inspection was rejected.

G. Counter filed by the Respondent 7:

25. That the Complainant acted unilaterally and without bona fides, having neither consulted the society nor participated in any community meetings. It was alleged that the complaint was filed to serve personal interests and undermined the collective efforts of the residents. On project issues, the society submitted that while a few amenities (such as fire safety, STP, and swimming pool) remained pending or under progress, most had been completed or were being addressed. Allegations of substandard work were denied as outdated or already resolved. Regarding financial matters, it was submitted that although the corpus fund had not yet been transferred, three flats were handed over through an MoU dated 21.02.2023 as security. The society continued to follow up with the developer on this issue.

26. On the OC delay, it was submitted that procedural objections from GHMC, not project incompleteness, were the cause. The society clarified that electricity meter conversions were ongoing and that the Complainant had taken possession, fully aware of the status of the OC. It was further submitted that the Complainant's reliefs, such as refund and compensation, were individualistic, outside the scope of RERA, and risked disrupting the collective framework. The rejoinder was criticized for containing unauthenticated documents and misrepresentations. In conclusion, Respondent No. 4 reaffirmed its commitment to pursuing a resolution with the developer in the common interest and clarified that it opposed disruptive actions, not individuals.

H. Rejoinder filed by the Complainants:

27. Complainants submitted that although no specific allegations were originally directed at Respondent 7, it had unnecessarily aligned itself with Respondents No. 1 to 3 and adopted contradictory positions, acknowledging lapses by the builder while unfairly attributing mala fides to the Complainant. The Complainant emphasized that non-attendance at meetings was irrelevant to the core issues, and Para 19 of the counter itself admitted that Respondent No. 1 remained responsible for several pending obligations, thereby supporting the substance of the complaint. Allegations that the complaint damaged the project's reputation were dismissed as baseless and contrary to the intent of RERA, which exists to safeguard allottee rights.

28. That the accusations of misinformation and personal gain were diversionary and unsubstantiated. It was pointed out that Respondent 7 failed to inform residents about the Rs. 20 lakh corpus fund received from Respondent No. 1, raising concerns about transparency. Respondent 7's defence of the builder's obligations, including the claim regarding Rs. 10 lakhs paid by the Complainant towards amenities, was without authority and contradicted the record of proceedings dated 03.09.2024. The Complainant reiterated that the responsibility for converting electricity meters and securing the Occupancy Certificate lies solely with Respondent No. 1. Assertions regarding completed fire safety systems, rainwater harvesting pits, and STP were denied as misleading, with photographic evidence and recent reconstruction works disproving such claims. The Complainant also highlighted that the project remained incomplete, including the swimming pool and other promised amenities.

29. That Respondent 1 had failed to comply with RERA obligations, including registration requirements and proper handling of the corpus fund. The association, constituted only in September 2024, had failed to initiate corrective action and instead turned hostile toward the

Complainant. It was submitted that under Section 7 of the RERA Act, this Hon'ble Authority is empowered to take appropriate action, including cancellation of registration for fraudulent practices. In conclusion, the Complainant prayed that the complaint be allowed by directing Respondents No. 1 to 3 to obtain the OC, deposit the corpus fund with interest, deliver all promised amenities, and award appropriate compensation for continuing violations, in the interest of justice.

I. Observations made by the Authority:

30. Upon perusal of the pleadings, documents placed on record, and oral as well as written submissions advanced by both parties, the principal point for determination before this Authority is: ***Whether the Complainants are entitled to the reliefs sought.***

1) Whether the Complainants are entitled to interest or refund in respect of the corpus fund paid to the Respondent Promoter?

31. The Complainants have sought a direction to the Respondent Promoter to pay interest on the amounts of ₹3,26,000/- and ₹1,34,000/-, respectively, collected from them towards the corpus fund since March 2022, or in the alternative, to refund the said amounts

32. The Authority observes that the grievance of the Complainants pertains to the corpus fund collected by the Respondent Promoter but not transferred to the association of allottees. It is a well-established principle under the Real Estate (Regulation and Development) Act, 2016 that the corpus fund collected from allottees is a collective contribution meant for the welfare, maintenance, and administration of the project as a whole. Such a fund cannot be diverted, refunded, or utilized for any purpose other than the common benefit of the association of allottees.

33. The Respondent Promoter has contended that at the relevant time, no registered association of allottees existed, and hence, the corpus fund could not be remitted. However, to safeguard the interests of the allottees, the Respondent executed a Memorandum of Understanding (MoU) dated 21.03.2023 with an ad-hoc association and handed over possession of three residential units (Flat Nos. 101 and 103 in Block 'E', and Flat No. 108 in Block 'B') belonging to the promoter's share as security towards the corpus fund.

34. It is a matter of record that the association has since been duly registered as "Srusti Symphony Flat Owners Mutually Aided Co-operative Maintenance Society Limited" on 09.09.2024 under Registration No. TG/RRD/MACS/2024-61/FOW. The registered association

has confirmed that, although there was a delay, the Respondent Promoter has been cooperating and has commenced remittance of the corpus fund as per the agreed terms.

35. The Authority takes on record the Memo dated 10.04.2025 filed by Respondent No. 1, wherein the Respondent undertook to transfer the entire corpus fund of ₹1,30,00,000/- (Rupees One Crore Thirty Lakhs Only) to the registered association. In partial compliance, the Respondent has issued and handed over the following cheques:

- a. Two cheques of ₹10,00,000/- each, totaling ₹20,00,000/-;
- b. Two cheques bearing Nos. 001626 and 001627 for ₹35,00,000/- each, totaling ₹70,00,000/-; and
- c. Two cheques bearing Nos. 001618 and 001619 for ₹10,00,000/- each, totaling ₹20,00,000/-

36. Further, ₹20,00,000/- has already been deposited directly into the association's account. Thus, the entire corpus fund of ₹1,30,00,000/- stands duly accounted for and committed. The registered association has confirmed receipt of the said cheques and has expressed no objection.

37. In view of the foregoing, this Authority holds that the corpus fund is being duly remitted to the registered association, which is the lawful and sole recipient of such funds. Corpus fund, by its intrinsic nature, is a collective asset for the long-term maintenance and welfare of the project and cannot be refunded to individual allottees. Accordingly, the relief sought by the Complainants for a personal refund of their contribution, or for interest thereon, is legally untenable and is hereby rejected.

38. However, to ensure complete compliance, the Authority directs the Respondent Promoter to ensure that the entire corpus fund of ₹1,30,00,000/- is credited to the registered association within the mutually agreed timeline. In the event of any cheque being dishonoured or default in remittance, the Respondent Promoter shall be liable to pay the balance amount with applicable interest from the date of default until actual realization.

2) *Whether the Respondents are liable to pay interest on ₹17,857/- per year for three years (totalling ₹53,571/-) from 2022 until remittance, and reimburse ₹17,857/- per year towards water charges?*

39. The Complainants have sought interest on additional water charges, contending that due to the Respondent's failure to complete the project and obtain the Occupancy Certificate, GHMC withheld eligibility under the free water supply scheme. Consequently, the residents bore additional expenses for alternative water supply.

40. The Respondents have countered that the allottees had voluntarily taken possession prior to obtaining the Occupancy Certificate, fully aware of the implications and temporary arrangements concerning water supply. The Authority finds this issue to be consequential to the delay in obtaining the Occupancy Certificate, which is addressed separately below.

3) Whether the Respondents are liable to pay ₹10,00,000/- as damages for unfinished works including the swimming pool, terrace work, corridor windows, and drainage pipelines?

41. The Authority observes that the Complainants' claim for ₹10,00,000/- is, in substance, a claim for compensation for alleged damages. Under Section 71 of the RE(R&D) Act, 2016, the power to determine compensation or damages lies exclusively with the Adjudicating Officer. The Authority, while exercising jurisdiction under Sections 31 and 34(f), is not empowered to quantify or award compensation.

42. Accordingly, this relief is not maintainable before this Authority. The Complainants are at liberty to file a separate application in Form 'N' before the Adjudicating Officer under Section 71 for adjudication of compensation, if so.

4) Whether the Respondents shall be directed to immediately complete the pending works and obtain the Occupancy Certificate?

43. The Complainants allege that the Respondent has failed to complete the swimming pool, firefighting system, terrace works, and window fittings in corridors. The Respondent has denied all allegations, contending that the project is substantially completed, with 140 of 170 flats occupied, and that all allottees executed possession letters acknowledging satisfactory completion.

44. The Association clarified that the Clubhouse and STP are operational and rainwater harvesting pits have been duly constructed. However, it admitted that while the swimming pool and firefighting systems are physically constructed, they remain non-operational and require the promoter's intervention to be made functional. The Association further stated that issues of terrace water stagnation have largely been rectified and that opinions among residents differ regarding the installation of corridor windows, which would constitute a design deviation.

45. Considering the submissions, the Authority holds that the Respondent Promoter remains obligated under Section 11(4)(a) of RE(R&D) Act to complete all promised amenities and under Section 14(3) of RE(R&D) Act to rectify any structural or functional defects within the prescribed period. Therefore, the Respondent Promoter is directed to make the swimming pool

and firefighting systems fully operational and to rectify water stagnation in common corridors forthwith. The promoter cannot escape liability for non-completion or deferred obligations arising from its own delay or inaction.

5) Regarding the Occupancy Certificate

46. The Complainants contended that despite applying for the Occupancy Certificate on 01.10.2021, the Respondents have failed to obtain it even after three years, thereby violating Section 11(4)(b) of the RE(R&D) Act. The Respondents attributed the delay to certain objections raised by GHMC, including non-development of the tot-lot area, construction of the STP therein, and non-submission of block-wise details.

47. Section 11(4)(b) of the RE(R&D) Act unambiguously mandates that the promoter shall be responsible to obtain the completion or occupancy certificate, as applicable, from the competent authority and make it available to the allottees or their association.

48. The Authority finds that the reasons cited by the Respondent do not absolve them of their statutory obligation. The record indicates that the GHMC had issued shortfall intimation vide Letter No. 0011125/GHMC/0662/SLP1/2021-OC dated 01.10.2021, highlighting deficiencies such as non-development of the tot-lot and the construction of the STP therein. Nearly four years have elapsed, and the Respondent has failed to demonstrate compliance with these requirements

49. Such continued inaction clearly reflects a lack of due diligence and accountability on the part of the Respondent Promoter. Shifting the burden onto the competent authority, without first rectifying the identified lapses, is untenable and reflects an attitude of disregard toward statutory duties.

50. The Authority, therefore, issues a stern warning to the Respondent Promoter to forthwith comply with all shortfalls pointed out by GHMC and to take immediate and effective steps to secure the Occupancy Certificate. The Respondent shall ensure that the Occupancy Certificate is obtained and handed over to the registered association without further delay. Upon issuance of the Occupancy Certificate, the Respondent is further directed to convert all common electricity connections from commercial to domestic use as per applicable norms.

51. The Authority reiterates that mere application for the Occupancy Certificate or partial compliance does not discharge the promoter's obligations. The promoter must actively pursue,

ensure, and complete all statutory compliances to bring the project to full and lawful completion. Any further negligence or failure in this regard shall invite strict action under the section 63 of the RE(R&D) Act, 2016.

J. Directions of the Authority:

Upon consideration of the pleadings, submissions, documentary evidence, and observations made hereinabove, the Authority arrives at the following findings and directions:

- a. The Respondent Promoter shall ensure full realization of the corpus fund amounting to ₹1,30,00,000/- as agreed by the parties to the registered association within the agreed period, failing which interest shall accrue from the date of default.
- b. The Respondent Promoter shall complete the operationalization of the swimming pool and firefighting systems and rectify water stagnation issues in the common corridors within 60 days from the date of this order.
- c. The Respondent Promoter shall immediately within a week from the date of this order take steps to comply with the shortfalls raised by the competent authority for obtaining the Occupancy Certificate.
- d. Upon issuance of the Occupancy Certificate, the Respondent promoter within 10 days from the date of occupancy certificate shall take steps for conversion of all common electricity connections from commercial to domestic usage and water connection.
- e. The Respondent Promoter is hereby placed on stern notice that the Authority shall not countenance any further delay or non-compliance. The Respondent must demonstrate bona fide intent and due diligence in fulfilling its statutory duties. Any attempt to protract compliance, shift responsibility, or disregard lawful directions of this Authority shall invite stringent regulatory action under section 63 of the RE(R&D) Act, 2016.
- f. 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 Laxminarayana Jannu,
Hon'ble Member,
TG RERA

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