TELANGANA REAL ESTATE APPELLATE TRIBUNAL: HYDERABAD

Krishna Hostel, First Floor, Dr. MCR HRD Institute Campus, Road No.25,
MP & MLAs Colony, Jubilee Hills, Hyderabad-500 033.

CORAM: Hon'ble Sri Justice A. Santhosh Reddy, Chairperson.
Hon'ble Sri P. Pradeep Kumar Reddy, Judicial Member.
Hon'ble Sri Vemula Sreekar, Administrative Member

I.A.No. 01 of 2026 in T.A.No. 48 of 2026

Between:

M/s RVE Social Welfare Association,
Registered office at D-409, Tower-D, Raheja Vistas,
Road No.12, Nacharam, Hyderabad, represented by its
Vice President Komirishety Balakrishna, 62 years,
Residing at F-1102, Tower-F, Raheja Vistas, Road No.12,
Nacharam, Hyderabad-500076.

…Petitioner/Appellant/Complainant No.1

AND

1. M/s K.Raheja Corp Real Estate Pvt. Ltd., formerly Known as M/s Paradigm Logistics & Distribution Pvt. Ltd., represented by its Authorized representative, Plot No.127A, Road No.12, IDA, Opposite TSFSASI, Nacharam, Hyderabad.

   …Respondent No.1

2. M/s The Raheja Vistas Towers ABC Flat Owners Co-op. Maintenance Society Ltd., ABC Maintenance Society Office, Raheja Vistas, Road No.12, IDA, Nacharam, Hyderabad- 500 076.

   …Respondent No.2/complainant No.2
   (Not necessary party)

3. The Raheja Vistas Tower D, E & F Flat owners Cooperative Maintenance Society Ltd., represented By its MC/authorized representative, Office at Raheja Vistas, Road No.12, IDA, Nacharam, Hyderabad-500 076.

   …Proposed Respondent No.3

Counsel for petitioner/appellant	:	Mr.S.Agasthya Sharma
Counsel for Respondent No.1	:	Mr.M.Murthy Maan
Proposed respondent	:	No representation
Date of Decision	:	09.09.2026

ORDER: *(Per Hon'ble Sri Justice A. Santhosh Reddy)*

This application is filed by the petitioner/appellant seeking to implead the proposed respondent i.e., The Raheja Vistas Tower D, E & F Flat Owners Co-operative Maintenance Society Ltd., represented by its Managing Committee/authorized representative, as party respondent No.3 in the main appeal.

2. In the affidavit filed in support of the application, it is stated that the petitioner/appellant/complainant filed the aforesaid appeal aggrieved by the Order, dated 31.01.2026, passed by the Telangana Real Estate Regulatory Authority, Hyderabad, (hereinafter referred to as 'the Regulatory Authority) in Complaint No.122 of 2024. It is further stated that the primary objective of appellant is to protect the collective interests of all 934 flat owners in Raheja Vistas Community, constructed by respondent No.1 herein and that during the pendency of the Complaint, the appellant/complainant filed an Interlocutory Application seeking to implead the Managing Committee (MC) of DEF Maintenance Society as Complainant No.2, since the office bearers are similarly situated like that of all the 934 allottees of dwelling units in Raheja Vistas, apart from the fact that the Managing Committee of DEF was in possession of documents

and was directly concerned with handover, reconciliation and society related issues. The said application was dismissed by the learned Regulatory Authority, since DEF society had communicated through *e-mail*, dated 10.02.2025, that it was not inclined to be impleaded as a complainant in the proceedings at that stage as they were attempting to resolve the issue through mutual discussions. It is further stated that the DEF society's interests are adversely affected, owing to the manner in which the directions issued by the Regulatory Authority stands complied with both by the Managing Committee of DEF society and respondent No.1 herein. Therefore, the Managing Committee of DEF society is a proper and necessary party in the appeal for effective adjudication and expeditious disposal of the appeal and that by impleading the said Managing Committee would not only facilitate effective adjudication of the appeal, but would also for the beneficial interest of the parties in the appeal, on the following grounds:

(i) The Managing Committee being an elected body with about 60% of owners in Tower's DEF and duly authorized by the byelaws to protect the interests of all its members, were functioning much to the detriment of the majority owners and curiously declined to join as complainant No.2 citing resolutions with alleged discussions etc., which are having strong bearing on the financial loss combinedly incurred to all the 312 dwelling units in Tower's DEF of Raheja Vistas.

(ii) The Managing Committee failed to place before the residents the essential materials exchanged with respondent No.1 herein. No minutes or details of the discussions held to resolve the outstanding issues have been intimated to the members/owners of the dwelling units.

(iii) The Managing Committee has not insisted for reconciliation of accounts nor details of the accounts, wherein the advances collected were parked by respondent No.1, despite directions by the learned Regulatory Authority to ensure reconciliation thereon, thus leading to conclude collusion and open connivance amongst both.

(iv) The Managing Committee has failed to demand disclosure of the exact bank account details in which the advances were kept.

(v) The Managing Committee has failed to demand interest on the advance funds collected strictly in conformity with the covenants of agreement of sale, that mandates non-payment of interests till the formation of *ad hoc* society only, but not thereafter;

(vi) Respondent No.1 is under legal and moral obligation to pay interest at least from the date of formation of the society, if not from the date, the interest stands accrued on the deposits, which is implicitly evident from the logical conclusion and judicial scrutiny of the unilateral covenants in the agreement of sale that should have been negated by the learned Regulatory Authority, since the very objective and intention of the RERA Act is to protect the innocent consumers from the unscrupulous developers.

(vii) Both the 1st respondent and the proposed respondent No.3 relied upon a CA certificate stating 'no interest earned'. The MC has not disclosed what was the scope of the instructions to the CA, documents examined and whether it independently verified the builder's account statements.

(viii) The MC has not ascertained from the builder whether they derived any indirect financial benefit, float, set off or working capital advantage from retention of corpus funds/deposits obtained from the owners of the 312 dwelling units.

(ix) It is further stated that after rejecting the prayer of the appellant to implead MC of DEF as complainant No.2, the Regulatory Authority held that the registered DEF Cooperative Maintenance Society is the entity entitled to receive and manage corpus fund and maintenance deposits pertaining to Towers D, E and F, and further directed reconciliation and transfer of the balance corpus together with legitimate interest strictly as per the provisions of the agreement of sale entered into with the Owners of dwelling units including the members of the appellant association. Having held so, the MC of DEF society ought to have been impleaded as complainant No.2.

(x) Despite clear direction of the Regulatory Authority that reconciliation has to be completed before financial handover, the builder and the DEF society Managing Committee have in collusion with each other, proceeded to complete the financial handover ignoring the spirit and tenor of the directions contained in the order impugned in the appeal.

Under the aforementioned grounds, the petitioner/appellant prayed for impleadment of the proposed respondent in the main appeal.

3. In the Counter-affidavit filed on behalf of respondent No.1, it is stated that the petitioner/appellant has not fled any appeal/application against the order, dated 31.01.2026, passed by the learned Regulatory Authority, dismissing the application for impleadment of proposed respondent No.3 in the complaint and that the said Order has attained finality and as such the question of impleading a new party respondent during the pendency of appeal does not arise at all. It is further stated that the DEF society is the duly registered society serving the interests of all the residents/allottees therein and respondent No.1 recognizes the DEF society and has accordingly entered into negotiations and finally resolved all the issues addressed by the DEF society. The petitioner/appellant is one unilaterally formed association by certain allottees of D, E & F Towers of Raheja Vistas claiming to protect interests of flat allottees therein and was not recognized by respondent No.1. The petitioner/appellant having admitted that DEF society and its Managing Committee were in possession of all documents and directly concerned with handover, reconciliation and society related issues, it cannot raise similar issues and demand any relief from this Tribunal that too at the appellate stage. It is

further stated that the petitioner/appellant has admitted that the directions contained in the Order of the Regulatory Authority had been complied with by respondent No.1 and proposed respondent No.3 and as such he cannot seek for impleadment of the proposed respondent No.3. It is further stated that since the amounts collected from the allottees were deposited in the current accounts, which did not accrue any interest and the same was recorded in the agreements of sale, the question of respondent No.1 paying interest does not arise. Therefore, the petitioner/appellant has not made out any case for impleadment of proposed respondent No.3 in the captioned appeal and as such the application filed by the petitioner/appellant is liable to be dismissed.

4. Pursuant to the notice issued by this Tribunal, the proposed respondent No.3 filed a letter, dated 13.07.2026, stating that respondent No.1 herein has completed the development of Phase-II-DEF Towers and pursuant thereto, the promoter has facilitated the registration of the DEF society for the purpose of maintaining and administering the said development and has duly handed over the common areas pertaining to DEF Towers to the registered society. It is further stated that the Managing Committee has already communicated its decision that it does not wish to be impleaded as a party to the proceedings. The issues

relating to the handover of the project have been amicably resolved between the promoter and the Managing Committee. The financial handover has also been duly completed, accepted by the Managing Committee and also ratified by the General Body at its meeting and consequently no dispute or cause of action survives between the Managing Committee and the promoter in relation to the handover of the project and in support of the same, copies of relevant resolutions, Memorandum of Understanding and other supporting documents were filed. It is further stated that the presence of the Managing Committee is neither necessary nor proper for the effective adjudication of the present appeal and, therefore, it is prayed that the Managing Committee may be exempted from being impleaded as a party respondent to the proceedings.

5. Heard arguments of learned Counsel for the petitioner/appellant/complainant as well as the learned Counsel for respondent No.1 herein and perused the entire material available on record.

6. Admittedly, the petitioner/appellant/complainant No.1 and respondent No.2/complainant No.2 filed the Complaint No.122 of 2024 against respondent No.1/promoter seeking certain reliefs and the same

was disposed of by the learned Regulatory Authority, vide its Order dated 31.01.2026. Aggrieved by the said Order, the petitioner/complainant No.1 filed the main appeal. During the pendency of the Complaint No.122 of 2024, the petitioner/complainant No.1 filed I.A.No.91 of 2024 seeking to implead the Managing Committee of DEF Maintenance Society as complainant No.2 and the same was rejected by the learned Regulatory Authority since DEF society had communicated through an e-mail, dated 10.02.2025, that it was not inclined to be impleaded in the proceedings at that stage as they were attempting to resolve the issues through mutual discussions between the parties.

7. The contention of the learned Counsel for the petitioner/appellant is that the DEF society Managing Committee (proposed respondent) is the custodian of the financial accounts, corpus fund records, bank statements and correspondence with the 1st respondent, which would reveal the 1st respondent/promoter's unlawful use of corpus fund of the allottees as interest free working capital by parking maintenance deposits in a current account and as such the proposed party is a proper and necessary party for effective adjudication of the appeal. In support of his contention, he relied upon a decision of the Hon'ble Supreme Court in *Udit Narain Singh*

Malpaharia vs. Additional Member Board of Revenue, Bihar and another[1] *and also Kasturi vs. Iyyamperumal and others*[2]

8. The learned Regulatory Authority, vide its Order impugned in the main appeal, dated 31.01.2026, rejected I.A.No.91 of 2024 filed by the petitioner/complainant for impleadment of the Managing Committee of the DEF Maintenance Society as Complainant No.2 (proposed respondent No.3 herein) in the present Complaint, on the ground that the DEF Society had, by an *e-mail*, dated 10.02.2025, expressed its disinclination to be impleaded as a co-complainant in the present proceedings, claiming it was pursing mutual resolution with the 1st respondent/promoter. The learned Regulatory Authority, while disposing of the Complaint No.122 of 2024 filed by the petitioner/appellant/complainant, directed the 1st respondent to complete reconciliation of accounts relating to the corpus fund and maintenance deposits collected from the allottees of Towers D, E and F with the Registered Cooperative Maintenance Society within a period of 15 (fifteen) days from the date of the Order and upon completion of such reconciliation, he shall transfer the entire balance corpus fund and maintenance deposits, strictly in accordance with the terms of the agreement for sale, to the Raheja Vistas Towers D, E & F Flat Owners

[1] AIR 1963 Supreme Court 786
[2] (2005) 6 Supreme Court Cases 733

Cooperative Maintenance Society Limited (proposed respondent) within a further period of 30 (thirty) days. Further, he shall not retain any portion of the corpus fund or maintenance deposits beyond the aforesaid period, nor effect any unilateral deductions except those duly reconciled, justified, and transparently communicated to the Registered Cooperative Society. The 1st respondent herein was also directed to complete the remaining portion of the compound wall, strictly in accordance with the sanctioned plan, so as to ensure adequate enclosure and security for the already completed and occupied Towers D, E and F, within a period of two (2) month from the date of the Order.

9. Respondent No.1, in its counter-affidavit filed before this Tribunal, has stated that DEF Flat Owners Co-operative Maintenance Society Limited is the duly registered society serving the interests of all the residents/allottees therein and that respondent No.1 recognized the said society. Respondent No.1 has admitted that the amounts collected from the allottees were deposited in current account, which did not accrue any interest, and the same was recorded in the agreements of sale and as such the question of respondent No.1 paying interest does not arise. The 1st respondent has further stated that it has amicably resolved all the issues with the DEF Society. Further, the proposed respondent No.3 has also

stated in its letter, dated 13.07.2026, that the issues relating to the handover of the project and financial handover have been amicably resolved between the 1st respondent and the Managing Committee and consequently no dispute or cause of action survives between the Managing Committee and the promoter in relation to the handover of the project and in support of the same, copies of relevant resolutions, Memorandum of Understanding and other supporting documents were filed. A perusal of the General Body Meeting of DEF Society, dated 07.12.2025, would also reveal that a resolution has been passed with regard to financial handover. That apart, the Order passed by the Regulatory Authority in I.A.No.91 of 2024 rejecting the application for impleadment of the Managing Committee Team of the DEF Maintenance Society as a Co-complainant in the proceedings, was left unchallenged by the petitioner/appellant and as such the said Order has become final. Since the petitioner/appellant failed to make out a case as to how and why the proposed respondent No.3 is a proper and necessary party to the proceedings and in whose absence an effective order may not be passed by this Tribunal, the impleadment application is liable to be dismissed. Therefore, the decisions relied upon by the learned Counsel for the petitioner/appellant are not applicable to the facts of the present case.

10. In view of the aforementioned reasons and keeping in view the letter, dated 13.07.2026, submitted by the proposed respondent No.3, we are of the considered opinion that the presence of the Managing Committee of the DEF Maintenance Society is neither necessary nor proper party for the effective adjudication of the present appeal and as such the petitioner/appellant has not made out any case for impleadment of proposed respondent No.3 in the main appeal.

11. In the result, I.A.No.01 of 2026 in T.A.No.48 of 2026 is dismissed as the same is devoid of merits. There shall be no order as to costs.

Registry is hereby directed to transmit a copy of this order to the learned Regulatory Authority and the parties.

__________Sd/-__________
A. SANTHOSH REDDY, J
(CHAIRPERSON)

____________Sd/-____________
P. PRADEEP KUMAR REDDY
(JUDICIAL MEMBER)

_________Sd/_______
VEMULA SREEKAR
(ADMINISTRATIVBE MEMBER)

09.09.2026
GSN.

Y. GOVINDA REDDY Digitally signed by Y. GOVINDA REDDY Date: 2026.09.11 15:35:02 +05'30'

Registrar, Telangana State Real Estate Appellate Tribunal