

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

*11<sup>th</sup> Day of April 2025*

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

**COMPLAINT NO. 255 Of 2024**

**M/s. Saket Pranamam Senior Citizens Friends Association**

*(Regd. 368 of 2024, Rep by General Secretary, Dr.C.R.Vallabhendra Reddy, falt no. 406, Saket Pranamam, B block, Gowdavali, Medchal Mandal, Hyd- 501401)*

**...Complainant**

Versus

**M/s. Saket Engineers Pvt. Ltd.**

*(M/s Saket Engineers Pvt.Ltd, 207,Ashok Bhoopal Chambers,Begumoet, Secundrabad-500003)*

**...Respondent**

This matter was taken up for hearing before this Authority on 29.01.2025 with the complainant association represented by their counsel Mr.Inaganti Pentushah. While the respondents were represented by their counsel Mr. C. Prabhakar Rao. Having heard both parties on 29.01.2025, this Authority now proceeds to deliver the following **ORDER:**

2. The complaint has been 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 "Rules"). The Complainant is seeking appropriate relief from this Authority.

**A. The Brief facts of the case as per allegations/averments contained in the complaint are as follows:**

3. The complaint arises out of grievances put forth by the Complainant Association, representing senior citizen flat allottees, who assert having invested their life savings into the Respondent's residential project with expectations of a comfortable retired life. They allege multiple deficiencies

and lapses committed by the Respondent developer in fulfilling obligations and promises made at the time of sale.

4. The Complainant Association alleges several specific grievances. Submitting that the Respondent has failed to ensure timely provision of basic promised amenities essential to senior citizens' quality of life, including potable drinking water sourced from the Godavari river, reliable electrical infrastructure to prevent frequent power outages, timely gas pipeline connections, and adequate functioning of lifts. Additionally, common areas, particularly corridors, reportedly experience frequent rainwater leakages, posing slipping hazards that jeopardize residents' safety.

5. That there was substantial delay in handing over possession of the flats beyond the assured timelines, resulting in considerable inconvenience and financial strain upon elderly residents. Consequently, some allottees had to arrange alternative interim accommodations, including renting residences in other blocks. Despite explicit requests for compensation and interest payments on account of delayed possession, the Respondent allegedly neither compensated nor replied satisfactorily.

6. Moreover, the Complainant Association contends that the Respondent repeatedly disregarded individual grievances raised by flat owners. As a result, allottees from Block-B collectively formed and duly registered the Complainant Association under the Telangana Societies Registration Act, 2001, in the year 2024, with the express intent of protecting their collective interests. The Respondent, however, refused to acknowledge or recognize the legally constituted Association during a meeting held on 05-06-2024. Instead, the Respondent proposed the formation of an alternative entity—a Mutually Aided Cooperative Housing Society—and initiated an ad-hoc committee with the Respondent's Chief General Manager as its chief promoter.

7. The Complainant Association alleges this action to be a deliberate attempt by the Respondent to sideline the legally formed welfare association, substituting it with a cooperative society model incongruous with the

original assurances given to the allottees. The Association expresses apprehension that the Respondent's cooperative model involves commercial activities and cumbersome procedural obligations (such as compulsory filing of affidavits and potential membership cancellations for non-adherence to society rules), thereby defeating the very purpose of peaceful senior living originally assured.

8. Further, the Complainant contends that from March 2024 onward, the Respondent unilaterally began deducting monthly maintenance charges from the maintenance deposit made by individual flat owners, despite many assured services and facilities not being operational. In response, the Association sought transparency by requesting periodic accounting statements detailing the collected maintenance charges (including the Respondent's proportionate share for unsold or under-construction flats), the accrued interest on the corpus fund, and clear disclosures on expenditures incurred. They also sought copies of agreements with third-party service providers, as concerns over quality and safety arose among the elderly residents. These requests, however, remained unanswered by the Respondent, leaving the residents without transparency or accountability regarding maintenance expenditures.

9. That the Respondent proceeded to formally register a cooperative society named "Saket Pranamam Flat Owners' Maintenance Mutually Aided Co-operative Society Ltd." under the Telangana Mutually Aided Cooperative Societies Act, 1995, on 26-10-2024. The Complainant Association responded by filing Interim Application (I.A. No. 94 of 2024) seeking urgent intervention to prevent dilution of their rights.

10. The Interim Application specifically refers to Clause 19(a) of the original Agreement for Sale, which explicitly stipulated formation of an Association of Allottees as a registered society under the Societies Registration Act, 2001, within two months from the date of obtaining Occupancy Certificate. The Complainant contends that the Respondent's subsequent registration of a cooperative society is not only in breach of this explicit contractual commitment but also violates the fundamental intent of

RE(R&D) ACT. Additionally, the Complainant raises concern that the cooperative society's adopted bye-laws, providing voluntary membership (even allowing non-allottee residents) and enabling decisions on common property management without participation from all owners, could potentially be detrimental and contrary to the residents' collective interests.

**B. Relief Sought:**

1. *The Builder should recognize "Saket Pranamam Senior Citizens Friends Association" which is registered under the provisions of the Act and Rules. The Association thus acquires rights and benefits as a Consumer and welfare measures as provided in the legal provisions of the relevant Consumer and Senior Citizens Acts and under the principles of Natural Justice. The proposal of the Builder to form an Ad hoc Committee along himself as Chief Promoter, a commercial one, is not required for peaceful living for seniors.*

2. *The Builder should take up necessary actions to settle all issues raised like rectifying infrequent Electrical breakdowns, prevention of rainwater in corridors, controlling dog and monkey menace particularly happening in the corridors, prevention of pollution and dust, etc., which is causing health hazards to resident senior citizens in the apartments.*

3. *The Statement of total collection of monthly maintenance charges through deductions from Deposits, including Builder's share (due to continuation of his project in stages), interest gained on Corpus Fund and other Deposits, should be displayed in Notice Board. The Builder should make liable the copies of all the Service Agreements entered by him to the Petitioner. This will provide transparency in financial dealings. The stage-wise time schedule of completion of the project, including amenities and services as agreed upon, should also be displayed by the Builder in the said Notice Board.*

4. *The monthly maintenance charges should be made proportionately to the facilities made available to the residents and give credit for the extra collection made hereto, to the deposits paid by the petitioners.*

5. *Any other appropriate relief/s that the Hon'ble Adjudicating Officer may feel appropriate in the present case.*

**C: Counter on behalf of the Respondent:**

11. The Respondent, through its detailed counter-affidavit and submissions, has raised objections regarding both the maintainability of the complaint and the substantive merits of the allegations advanced by the Complainant. At the outset, the Respondent contends that the complaint itself is not maintainable, asserting that the Complainant Association, being registered merely as a "Friends Association" under the Societies Registration Act, 2001, does not have legal standing to represent all the allottees of the Saket Pranamam Project. The Respondent points out that the said Association comprises only 17 members who are exclusively residents of Block-B, whereas the total project consists of nearly 300 flats spread across Blocks A, B, C, and D. Consequently, the Respondent asserts that the Complainant Association represents merely a minority group without the consent or participation of the majority of flat owners.

12. It is further averred by the Respondent that, in terms of the Agreements of Sale executed with all the allottees, it was the Respondent's obligation to form an official association of allottees under the Mutually Aided Cooperative Societies (MACS) Act, 1995, subsequent to obtaining an Occupancy Certificate. In compliance with this obligation, the Respondent registered the "Saket Pranamam Flat Owners' Maintenance Mutually Aided Cooperative Society Ltd." on 26-10-2024, after obtaining the requisite Occupancy Certificate for Block-B. The Respondent emphasizes that this cooperative society was formed following consultations with, and with the consent of, the majority of the flat owners. Consequently, this registered cooperative society, according to the Respondent, is the sole legitimate body entitled to represent the interests of allottees, and not the Complainant's separate association.

13. The Respondent further relies upon Circular Memo No. SOC/7124/2018 dated 28-01-2019, issued by the Commissioner and Inspector General of Stamps & Registration, Telangana, reflecting directions issued by the Hon'ble High Court in W.P. No. 3319 of 2013. As per this circular, associations formed exclusively for apartment maintenance must

necessarily be registered under the Cooperative Societies Act, and not under the Societies Registration Act, 2001, as registration under the latter would be void ab initio for want of “public purpose.” In view of this legal position, the Respondent submits that the Complainant’s society, registered under the Societies Act, lacks legal validity. Therefore, the Respondent maintains that the Complainant has no locus standi to initiate proceedings for project-wide grievances or maintenance issues on behalf of all the flat owners.

14. Without prejudice to the above objection, the Respondent has also addressed the merits of the allegations raised by the Complainant. The Respondent asserts that it has fulfilled all its contractual and statutory obligations under the RE(R&D) Act, and disputes any deficiency in providing facilities and amenities promised for the senior-living community. The Respondent specifically highlights that facilities such as the Godavari river water supply, necessary electrical infrastructure including power backup, piped gas connections, and functional lifts have all been provided, duly evidenced by obtaining the Occupancy Certificate. The Respondent states that any minor or temporary issues, such as electrical interruptions or routine maintenance, have been promptly addressed as part of post-handover support and cannot be construed as breach of obligations.

15. Regarding allegations of delay in possession, the Respondent categorically denies responsibility for any unreasonable delay. It clarifies that the initial construction timelines were adversely impacted by the COVID-19 pandemic during the years 2020-2021, resulting in government-issued general extensions of approximately one year to all real estate projects. Within the extended timelines authorized by the regulatory authorities, the Respondent asserts that Block-B was completed, and possession was duly offered to all the flat purchasers. The Respondent underscores that at the time of handover, all allottees, including many members of the Complainant Association, signed possession letters confirming their satisfaction with construction quality and amenities. Consequently, the Respondent rejects any claim for compensation or

interest arising from alleged delays, as the stipulated and approved extensions were duly complied with.

16. The Respondent disputes the Complainant's portrayal of neglect in responding to grievances, submitting that it maintains a dedicated on-site team, including engineers and a Facility Manager, to promptly address any issues raised by residents. The Respondent suggests that the Complainant's grievances arose not from genuine deficiencies but rather from the Respondent's refusal to recognize and endorse the separate association created by the Complainant. The Respondent further submits that the majority of the flat owners have not joined the Complainant Association and continue to reside comfortably, thereby demonstrating the absence of genuine unresolved grievances within the project.

17. On the issue of association formation, the Respondent acknowledges the existence of Clause 19(a) of the standard Agreement of Sale, which mirrors Section 11(4)(e) of RE(R&D) ACT and provides for registration of an allottees' association under the Societies Registration Act, 2001, subject to certain conditions. However, the Respondent clarifies that subsequent legal developments, including the judgment of the **Hon'ble High Court in Nugget Estates Pvt. Ltd. vs. State of A.P. (W.P. No. 3319 of 2013)** and subsequent government circulars, mandated the registration of flat-owner associations for maintenance exclusively under the Cooperative Societies Act, effectively superseding the earlier contractual provision. The Respondent insists that its decision to register the cooperative society was taken transparently and democratically, after duly informing and obtaining the consent of the majority of the flat owners.

18. Regarding the maintenance and handover obligations under RE(R&D) ACT, the Respondent reiterates its commitment to maintaining the project premises and affirms readiness to hand over all relevant documents, financial records, and accounting exclusively to the officially recognized cooperative society. The Respondent categorically refuses to transfer any maintenance-related documents or accounts to the Complainant's

association, reiterating that such action would be improper and contrary to law.

19. Finally, in responding specifically to the Complainant's interim application (I.A. No. 94/2024), the Respondent reaffirms its previous stand and additionally highlights jurisdictional objections, asserting that issues concerning the validity of the cooperative society's bye-laws fall exclusively within the domain of the Registrar of Cooperative Societies, who is not a party before this Authority. The Respondent maintains that the present proceedings under RE(R&D) ACT are inappropriate for adjudicating such disputes concerning the bye-laws of a registered cooperative society. Moreover, the Respondent disputes the Complainant's request to mandate handover of maintenance responsibilities to the Complainant's separate association, emphasizing its legal obligation to deal exclusively with the officially recognized cooperative society.

**D: Points for Consideration:**

- I. Whether the complaint filed by the Complainant Association is maintainable under RE(R&D) ACT, 2016?*
- II. Whether the Respondent has complied with its obligations under Section 11(4)(e) of RE(R&D) ACT and the Agreements for Sale regarding facilitating the formation of an Association of Allottees?*
- III. Whether the Respondent has failed to provide the promised amenities and to maintain essential services as per the standards advertised and agreed upon?*
- IV. Whether the Respondent should be directed to furnish accounts of the maintenance charges?*

**E.Observation by the Authority:**

20. Having carefully considered the submissions, evidence on record, and the relevant provisions of the RE(R&D) Act and Rules, this Authority records the following findings on each of the points for consideration:

Point 1:

21. At the outset, we hold that the present complaint filed by the Complainant Association is maintainable. Section 31 of the RE(R&D) Act confers the right upon “any aggrieved person” to approach this Authority seeking redressal of grievances arising from violations of the Act or Rules framed thereunder. The term “person” in legal parlance is expansive enough to include individual allottees, and by logical extension, their collective representation through an association formed to address common grievances is also permissible. It is pertinent to highlight that there exists no explicit prohibition in RE(R&D) ACT against a group of homebuyers coming together and forming an association to represent their collective grievances. Such practices, in fact, serve the objective of avoiding multiplicity of proceedings by consolidating the issues of similarly situated aggrieved parties. In the present scenario, the Complainant Association comprises several flat owners of Block-B who have individually entered into Agreements for Sale with the Respondent and who undeniably possess a direct interest in ensuring compliance with the provisions of RE(R&D) ACT. Individually, each member of the Complainant Association unquestionably qualifies as an “aggrieved person,” especially given their allegations concerning project delays and deficiencies in obligations by the Respondent-promoter. Thus, their collective decision to form an association to jointly present their grievances does not curtail their rights; rather, it exemplifies procedural efficiency and convenience.

22. We find no merit in the Respondent’s objection that the Complainant Association lacks standing merely because it is not a formally registered association under the Cooperative Societies Act. RE(R&D) ACT, fundamentally a beneficial and consumer-centric legislation, prioritizes substance over procedural technicalities. The substance of the matter before us is clearly that 17 individual allottees have expressed dissatisfaction and lodged a complaint concerning significant grievances. Whether these allottees have chosen to style themselves collectively as an association does not diminish the legitimacy or genuineness of their grievances. Furthermore,

the Respondent has already engaged with the complaint substantively on its merits, thereby implicitly recognizing the real parties in interest as the individual flat purchasers represented by the Complainant Association. Thus, the absence of formal registration under another statute, such as the Cooperative Societies Act, cannot serve as a valid ground for ousting the jurisdiction of this Authority under RE(R&D) ACT.

23. The Respondent's argument emphasizing that the cooperative society constitutes the official or de jure association is misplaced at this preliminary stage. Even if accepted as a point of fact, such a consideration primarily relates to the merits, specifically concerning the promoter's compliance with Section 11(4)(e) of RE(R&D) ACT, rather than to the threshold question of maintainability. Moreover, it is an admitted position that the cooperative society itself was registered only in late October 2024, subsequent to the filing of the present complaint. As of the date of the complaint and even currently, the cooperative society has neither assumed control nor represented the interests of these aggrieved allottees before this Authority. In such a situation, denying the Complainant Association standing would render the individual members without remedy or compel them to file separate complaints individually, defeating the objectives of both procedural efficiency and access to justice.

24. Importantly, Section 19(9) of the RE(R&D) Act explicitly places an obligation upon allottees to actively participate in the formation of an association. The present Complainant Association represents a genuine attempt by its members to fulfill this statutory obligation, particularly given that the promoter failed to facilitate formation of any such body. Even if the form or legal status of the association might evolve later, the interim arrangement or association formed by the aggrieved allottees undoubtedly retains the right to seek enforcement of their statutory entitlements. Such collective representation aligns with the underlying consumer protection objectives of RE(R&D) ACT, wherein associations of allottees are envisaged as key stakeholders.

25. In view of the foregoing discussion, the authority unequivocally rejects the Respondent's objection regarding maintainability and holds that the Complainant Association, representing aggrieved allottees, is fully entitled and competent to maintain this complaint before the Authority. While acknowledging that certain specific reliefs related to the Association's legal status vis-à-vis the cooperative society, as prayed in relief no. 1 and in the interlocutory application, may involve further legal analysis and are matters to be considered on merits, such considerations do not detract from our clear conclusion on maintainability. Consequently, the first point is answered affirmatively in favor of the Complainant Association.

Point 2:

26. The question regarding the promoter's obligation to form an association and the dispute over forming it as a society under the Societies Registration Act, 2001 versus a cooperative society under the Cooperative Societies Act, is indeed central to the present case. Under Section 11(4)(e) of the RE(R&D) Act, the promoter is explicitly required to facilitate the establishment of an Association of Allottees (AoA). This obligation must be executed within three months from the date a majority of allottees book their respective units, unless local laws dictate otherwise.

27. Furthermore, the contractual terms between the parties, specifically Clause 19(a) of the Agreement for Sale, explicitly stipulated the formation of the association under the A.P. Societies Registration Act, 2001. According to this clause, the promoter was required to apply for registration of the AoA as a society within two months of obtaining the Occupancy Certificate (OC), provided that at least 60% of the allottees had taken possession and fully paid the consideration. It further clarified that although possession might be granted block-wise, ultimately, a unified association covering all blocks would be established. Undeniably, this contractual provision bound the promoter to proceed specifically under the Cooperative Societies Act, 2001.

28. However, the sequence of events demonstrates a significant deviation from this agreed course. The Occupancy Certificate for Block-B was likely

secured around early or mid-2024, given that possession to allottees commenced during this period. Therefore, according to the binding contractual clause, the promoter should have initiated registration of the society by mid-2024. Contrarily, the promoter conducted a meeting on 05-06-2024, proposing instead to form a cooperative society, eventually resulting in the registration of a cooperative society on 26-10-2024. Clearly, this registration exceeded the agreed timeline. Conversely, the Complainant Association proactively registered itself under the Societies Act in August 2024, which aligns more closely with the agreed terms.

29. To justify this deviation, the Respondent relies substantially on the 2013 Hon'ble High Court judgment and a 2019 administrative Circular. Upon scrutinizing these documents, it emerges that the Hon'ble High Court held that a society solely tasked with apartment maintenance activities does not fulfill the criteria of "public purpose" under Section 3 of the Societies Act, rendering its registration void. Consequently, the Circular recommends registration under the Cooperative Societies Act as an appropriate alternative, thereby reflecting an implicit governmental preference or policy direction within Telangana. The G.O.Ms. No. 42 dated 02-02-2013 and the Telangana Cooperative Societies Act, 1964 (alongside MACS Act 1995), further reinforce the applicability of cooperative societies to apartment maintenance.

30. Nevertheless, the interplay between these local requirements and the statutory mandate of RE(R&D) ACT requires careful examination. Under RE(R&D) ACT's proviso to Section 11(4)(e), the association must be constituted according to local laws if such provisions exist; otherwise, the three-month RE(R&D) ACT timeline becomes operative. In the present scenario, the local law in question the Apartment Ownership Act of 1987 did not explicitly mandate the exclusive formation of a cooperative society, although it generally contemplated such arrangements. It was the Hon'ble High Court's judgment and the subsequent administrative circular of 2019 that crystallized the policy preference towards cooperative societies, effectively transforming it into a de facto requirement for promoters by 2020.

Evidently, the Respondent promoter was aware of this situation, hence its inclination towards forming a cooperative society.

31. Despite this awareness, the promoter should have transparently informed the allottees about this change in the mode of association formation. However, the Agreement for Sale remained unamended, and the promoter did not formally consult the allottees in writing regarding the decision to register a cooperative society instead of a society under the Societies Registration Act. Although the Respondent alleges that consent from the purchasers was obtained in a meeting, no concrete evidence, such as minutes or resolutions duly signed by the allottees, was produced to convincingly demonstrate informed and collective consent. Merely presenting an idea at a meeting does not satisfy the requirement of informed consent necessary to amend contractual terms. Furthermore, the prompt action by the Complainant's members in registering their own society clearly indicates their lack of consent to the cooperative society arrangement.

32. Nonetheless, the factual reality confronting the Authority is that two separate associations currently exist—a smaller society registered by the Complainant under the Societies Act and a larger cooperative society backed by the promoter under the Cooperative Act. Maintaining parallel associations for the same project is neither practical nor desirable, given the need for coordinated administration and unified representation before authorities. Considering the prevailing legal position and policy preference, the cooperative society seems more viable and acceptable, particularly because the Registrar may refuse to recognize a society under the Societies Act for managing common areas and related maintenance issues. Consequently, the long-term management and coordination of the apartment complex appear best served through the cooperative society model as envisaged by the state's existing legal and administrative framework.

33. Our observation is that while the Respondent's intention to comply with the Hon'ble High Court's directive is understandable, its execution, should have been tactful with all the allottees including complaint

association members. Ideally, the Respondent should have persuaded allottees, including those who formed the Complainant Association, to merge into one platform. Instead of the alleged open announcement stated to have been made in the allottees meeting on 05.06.2020 that the Complainant association could not be recognised, the Respondent/Promoter could have, for instance, invited its office bearers to join the ad-hoc committee for the cooperate or to contribute to the bye-laws draft. Unfortunately, it appears the Respondents officials took a dismissive approach (“will not recognize the said Association” in the meeting), which fostered mistrust.

34. From a RE(R&D) ACT compliance perspective, Section 11(4)(e) was eventually complied with in letter by registering an association (the cooperative society) within roughly 3 months of majority possession (if we count majority when Block-B got filled, and Block-A already delivered). But it was not complied with in spirit vis-à-vis taking all allottees on board. The provision’s intent is to have an association that truly represents all the allottees. Here, because of the clash, we have a segment of allottees feeling unsatisfied with the registration of a Cooperative society.

35. The Complainant’s plea that maintenance could be handled by a Society under the 2001 Act is, in our view, beyond our jurisdiction. The Registrar of Co-operative Societies is not a party, and the validity of that society or its bye-laws falls under the domain of the Co-operative Societies Act. If the Complainant believes the bye-laws are ultra virus or oppressive, the remedy lies in challenging those under the cooperative law. This Authority cannot rewrite the bye-laws of a cooperative society via an order in a RE(R&D) ACT complaint. Hence, we decline that specific relief due to jurisdictional limitations.

36. The ultimate guardians of the society’s functioning are the members themselves. The cooperative society is governed democratically. We note that membership in the cooperative is voluntary and open to all allottees; thus, the Complainant’s members are free to join it. We would strongly encourage them to do so – to ensure their voice is heard in the general body

37. We also observe that the Complainant's Association, being a Society under the 2001 Act, could still serve as a cultural and social club for the senior residents – nothing stops them from continuing those activities. But for the formal purpose of maintenance takeover, the cooperative society is the vehicle recognized by law. The Complainant must recognize that insisting solely on their Society might prolong the stalemate. On the other hand, we desire that the Respondent must ensure the cooperative society is inclusive and accessible to all the allottees. The Respondent's role should diminish once the society's elected board takes over; the Respondent should not seek to dominate it (the Respondent, not being an allottee, should ideally not hold any position in the society once it's handed over, except to the extent of unsold units' representation).

38. We hold that the Respondent appears to have not adhered to the agreed mode of forming the association but instead formed a cooperative society ostensibly in line with government directives. While this deviation is understandable legally, it seems it was done without unanimity and hence created conflict. The Respondent's refusal to recognize the Complainant's Association may be technically justified by law, but the concerns of those allottees remain valid and must be addressed. The appropriate course is not to disband the cooperative society nor to elevate the Complainant's Society as the official one against the Hon'ble High Court's order, but to facilitate a convergence. All allottees including Complainant's members should be part of one association framework.

39. We will therefore direct measures to achieve that ensuring the cooperative society includes all willing allottees, that it takes over maintenance in a timely manner, and that the Respondent hands over control to it. The Respondent must also hand over all documents and funds to that association as per Section 11(4)(e) and Section 17 of the Act. In essence, we uphold that the Association of Allottees must be in place and must be strengthened, and the promoter should step aside after facilitating this. The Complainant's prayer that their specific association be "recognized" is not granted in the literal sense but we will ensure that the spirit behind

their formation – i.e., owners controlling maintenance – is realized through the cooperative society route.

40. Thus, while the Respondent's action of constituting the cooperative society was within the bounds of legal directives, the lack of proactive and inclusive measures has resulted in dissatisfaction among a segment of allottees. Moving forward, the Respondent is obliged to undertake genuine steps to promote cohesion and inclusion among the allottees, actively involving the members of the Complainant Association in the cooperative society's functioning. The Respondent is expected to demonstrate transparency by promptly handing over all relevant records, funds, and responsibilities to the cooperative society duly elected representatives. The cooperative society itself must function democratically, ensuring that every allottee has an equal voice in decision-making, particularly with respect to maintenance issues.

41. The Complainant Association and its members, while encouraged to join and participate actively in the cooperative society, remain free to continue their separate existence for cultural or social purposes under the 2001 Act. Nevertheless, they must recognize the legal constraints that preclude their Association from formally managing maintenance services. Any substantive grievance with respect to the bye-laws or functioning of the cooperative society should be pursued through appropriate channels under cooperative law or constitutional remedies.

42. It is our considered view that harmonious coexistence and effective participation within a single, legally recognized cooperative framework is the most viable and legally sound solution to this dispute. We therefore reiterate the need for cooperation, inclusivity, and mutual respect among all stakeholders. The Respondent is specifically instructed to facilitate and take steps to promote process of unification and democratization.

Point 3.

43. The Complainant has highlighted numerous concerns regarding deficiencies in amenities and services provided by the Respondent. The

foremost among these pertains to the water supply. Although the Respondent claims to have supplied potable water sourced from the Godavari pipeline as marketed, the Complainant's grievances suggest persistent problems such as intermittent supply or insufficient water pressure. Given that the Occupancy Certificate has been issued, basic provisioning of water must presumably be functional; nonetheless, initial rationing or supply limitations are not uncommon in large residential projects. Therefore, it becomes incumbent upon the Respondent to establish adequate water storage and treatment facilities ensuring consistent availability of safe drinking water, round-the-clock, as committed to buyers.

44. Concerning electricity and power backup, the Complainant has raised serious issues regarding frequent power disruptions and hazards arising due to alleged faulty electrical installations. Although the Respondent attributed certain construction delays generally to the COVID pandemic, the specific allegations concerning electricity disruptions and associated safety risks, notably potential electric shocks from water seepage, were inadequately rebutted, save for a general assertion of providing "proper electrical fittings." Considering the demographic targeted—senior citizens—the Respondent is obligated to ensure safe and uninterrupted power supply until complete handover. Any repeated breakdowns, especially those attributable to defective internal wiring, transformers, or diesel generators, must be urgently addressed and rectified. Furthermore, if power fluctuations stem from external grid instability, it is imperative that the Respondent maintains reliable generator backup. The safety of senior residents, who are particularly vulnerable, must be prioritized, and compliance with essential service obligations must be uncompromisingly ensured.

45. The issue of rainwater leakage in common areas such as corridors, substantiated through photographs provided by the Complainant, highlights significant design or drainage inadequacies resulting in slippery and unsafe conditions during rains. Under Section 14(3) of RE(R&D) ACT, the Respondent is duty-bound to rectify such structural or waterproofing defects

under the stipulated five-year defect liability period. Therefore, prompt corrective actions, including the installation of adequate awnings or shajjas, effective guttering, weather-stripping, or door sill adjustments, must be executed without delay. These measures are critical to ensuring residents' safety, particularly in preparation for the forthcoming monsoon season.

46. On the matter of dust and pollution emanating from ongoing phased construction of Blocks C and D, the Respondent must diligently comply with its obligations under RE(R&D) ACT to ensure minimal inconvenience and nuisance to existing allottees. This includes enforcing robust dust control measures such as covering exposed construction areas, regular water sprinkling, and scheduling heavy construction activities during periods least disruptive to residents. Additionally, recognizing that seniors often have compromised respiratory health, provision of air purifiers in common indoor spaces or expediting project completion to minimize exposure to dust and particulate matter would reflect sensitivity and adherence to commitments made towards ensuring a peaceful and health-conscious retirement environment.

47. Lastly, concerning wellness or club facilities referred to ambiguously as the "Wellness Hub" in the context of cooperative society documentation—it is crucial that the Respondent clarifies the current status and timeline for completion and operational readiness of this amenity. Completion of common amenities as per sanctioned plans and agreements remains a primary obligation of the Respondent. Transparency through timely communication of completion schedules via public notices or circulars is essential in addressing any uncertainty among residents regarding promised services.

Legally, Section 14(3) of RE(R&D) ACT explicitly provides a five-year warranty post-handover covering structural defects and other deficiencies. The enumerated issues such as water leakage, electricity disruptions, and others identified, if unresolved, fall squarely within the ambit of this statutory obligation and must be rectified without imposing additional charges upon residents. Furthermore, pursuant to Section 12, the promoter

remains liable for adherence to advertised claims, including representations promising "senior-friendly amenities" and a "peaceful retirement life." Though these terms may appear broad, substantial deviations or absence of critical facilities, such as a functional medical unit or other advertised amenities, potentially constitute actionable misrepresentation under Section 12, thereby obligating the Respondent to ensure strict compliance with every representation upon which buyers placed reliance.

48. We find that deficiencies and shortcomings indeed exist within the project. Although these deficiencies do not fundamentally undermine overall compliance. The Respondent remains unequivocally responsible for addressing and rectifying these persistent problems that materially impact the residents' comfort, safety, and quality of life. Appropriate directions to that effect will accordingly follow.

Point 4:

49. On consideration of transparency regarding maintenance funds and related documents, the Authority finds itself in complete concurrence with the position articulated by the Complainant that maintaining transparency is of paramount importance. Irrespective of the specific association formally recognized at present, it remains an unequivocal right of every allottee to be fully informed about how the corpus of maintenance deposits and monthly maintenance charges are being utilized.

50. The Respondent has submitted that relevant financial details will be disclosed to the elected body of the cooperative society at an appropriate future juncture. However, this Authority does not see any compelling reason to delay the disclosure of this critical information in the interim. As matters currently stand, a cooperative society, even if operating through an ad-hoc committee or provisional governing body, is already in existence. Consequently, there is no plausible justification why the Respondent cannot forthwith begin the practice of regularly sharing detailed monthly statements of accounts with the cooperative society's current committee, while simultaneously making these statements transparently accessible to

all the residents. Such proactive disclosure will, undoubtedly, go a long way in fostering trust among the allottees.

51. This approach finds support in Section 11(4)(a) of the RE(R&D) Act, which clearly mandates that the promoter bears responsibility for all obligations, responsibilities, and functions until formal conveyance of the apartments to the association of allottees. This statutory obligation inherently carries a fiduciary responsibility, implying that the promoter must manage the collected maintenance funds prudently and transparently, as these are held in trust primarily for the ultimate benefit of all allottees. In this context, the request by the Complainant seeking disclosure of the detailed statement of accounts is entirely reasonable and aligns perfectly with the principles of good governance and accountability.

52. Furthermore, the Authority has observed that the Complainant specifically highlighted certain items which require clarity and accountability from the Respondent. These include details about any interest accrued on the corpus fund, as well as a transparent record of expenditures incurred from the maintenance fund. By way of illustration, if a specific sum of money was collected as advance maintenance for two years per apartment, and the Respondent has been utilizing such amounts since March 2024 to meet ongoing expenses, the Respondent is obligated to transparently disclose the remaining balances, inclusive of interest accrued, which rightfully belong to the allottees.

53. Additionally, the Authority emphasizes the significance of Section 19(5) of RE(R&D) ACT, which clearly establishes the entitlement of allottees to receive relevant documents, including plans and approvals, subsequent to the handover. Although maintenance contracts are not expressly enumerated within this provision, the Authority recognizes them as documents intrinsically linked to the overall maintenance and administration of the project.

54. Accordingly, this Authority holds that the Respondent bears an immediate and enforceable obligation towards transparency and directs the

Respondent to promptly furnish to the designated representatives of the cooperative society with comprehensive statements of accounts relating to maintenance funds as well as copies of all service agreements, and copies thereof to the complainant as specifically requested. Further, the Authority orders that henceforth, monthly details pertaining to maintenance expenditures be prominently displayed on the notice board of the residential complex, or alternatively, made accessible through a digital platform available to all allottees. This measure will significantly mitigate any existing distrust among allottees and ensure that the owners' association is well-prepared with adequate knowledge of ongoing financial commitments at the time of the formal transition of responsibility from the Respondent.

**F: Directions of the Authority:**

55. In light of the discussions made herein above and findings given on Points 1 to 4, this Authority by virtue of the powers vested in it under Sections 37 & 38, issue the following orders and directions:

(a) This Authority refrains from “recognizing” the Complainant’s Society under the Societies Registration Act, 2001 as the *exclusive* entity to handle the project’s maintenance and administration. The Complainant’s members may continue their existing society for social, cultural, or welfare activities, but for the purpose of maintenance and project-wide administration, the cooperative society is the recognized statutory entity as per local law and the Hon’ble High Court directives.

(b) The Respondent is directed to rectify, at its own cost, all outstanding construction-related defects and deficiencies notified by allottees, particularly those concerning rainwater leakages in corridors, power supply disruptions, improper sealing or waterproofing, and any structural or electrical hazards within sixty (60) days from the date of this Order.

(c) The Respondent shall promptly furnish the monthly statements of all maintenance-related income and expenditure, including the accrued interest, on advance deposits or corpus funds. These

statements shall also be displayed on the project's notice board for the benefit of all residents.

56. Respondent is hereby informed that failure to comply with this order shall attract Section 63 of the RE (R&D) Act.

57. As a result, the complaint is disposed of. No order as to costs.

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

**Sd-  
Sri. Laxmi NaryanaJannu,  
Hon'ble Member  
TG RERA**

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

