

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Date: 15th April, 2026

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

COMPLAINT NO. 228/2025/TGRERA

Serenity Park Flat Owners Maintenance Mutually Aided Co-Operative Society Limited.
Represented by – Mrs Manjulatha Uppalapati (President)
*(Club House, Sy. No. 1/2, Serenity Park Apartments,
Sunday Market Road, Kokapet (V),
Gandipet (M), Ranga Reddy (D) 500075)*

...Complainant

Versus

- 1. M/s Qualitas Golden Enclave Pvt. Ltd. (Represented by Mr. Mani Manjiri Dasari)**
*(W-2, Tapasya Apartments FLR-2, Plot - 17 & 22,
Gandipet, Gayatri Enclave, Narsingi)*
- 2. Gangidi Shiva Reddy**
*(10-78/B/801, Tower (B), Serenity Park Apartments,
Near Govt. School, Shanthi Nagar Road,
Kokapet, KV Rangareddy, Telangana 500075)*
- 3. Gangidi Prabhakar Reddy**
*(10-78/A/801, Tower (A), Serenity Park Apartments,
Near Govt. School, Shanthi Nagar Road,
Kokapet, KV Rangareddy, Telangana 500075)*
- 4. Gangidi Shyam Sunder Reddy**
*(B-2001, Jayabheri The Peak, Toll to Kokapet,
Pipe Line Rd, Narsingi, Telangana 500075)*
- 5. Muddam Vijaya Lakshmi**
*(H. No: 8-1-164/2, Pragathi Colony,
Mailardevpalle, Rajendra Nagar,
Rangareddy, Telangana, 500077)*

...Respondents

INTERIM ORDER

The present Complaint has been filed by the Complainant under Section 31 of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as the "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").

A. Brief facts of the case as per Form M submitted by the Complainant.

2. It was submitted that Respondent No. 1 was a company engaged in the business of real estate development and construction. Respondent No. 2 to Respondent No. 5 were the owners of the land admeasuring Ac 2-00 Guntas in Survey Nos. 1/2, situated at Kokapet Village, Gandipet Mandal, Ranga Reddy District, designated as the project land. The said landowners offered the land to Respondent No. 1 by way of a Development Agreement-cum-General Power of Attorney (DGPA), bearing Document No. 2796 of 2016, dated April 18, 2016. This agreement was executed for the purpose of developing a residential apartment complex comprising a basement, stilt, and eight upper floors under the name and style of "Serenity Park." The project was subsequently granted a RERA registration certificate, bearing No. P02400000100, on December 21, 2018.

3. As per the terms of the DGPA, it was mutually agreed that Respondent No. 1 would complete all the amenities of the project prior to handing over the physical possession of the flats. Following the widespread advertisement of the project through brochures and based on the explicit representations made by the Respondents that all amenities would be completed upon handing over possession, the members of the Complainant society purchased flats in the project. These purchases were formalized through Agreements for Sale (AOS) and Sale Deeds, the formats of which were unilaterally prescribed by the Respondents.

4. Detailing the financial aspects, it was submitted that per the terms of the AOS, the Respondents had collected a total Corpus Fund of Rs. 1,60,00,000 (Rupees One Crore Sixty Lakhs Only), calculated at Rs. 1,00,000 per flat for the 160 flats in the project. Furthermore, as per the terms of the AOS and the Sale Deeds, the Respondents had collected monies from the Complainant's members as advance maintenance charges, payable at the rate of Rs. 3 per square foot per month for a period of two years, intended for the maintenance and management of the common areas and amenities within the project.

5. It was averred that despite these collections, Respondent No. 1 did not complete all the amenities as promised under the brochure, the DGPA, the AOS, and the Sale Deeds. Instead,

the project was handed over to the Complainant in an incomplete state in the year 2021. It was alleged that Respondent No. 1 obtained the Occupancy Certificate (OC) from the Greater Hyderabad Municipal Corporation (File No. 304615/MSB/ORRGC/Pig/HMDA/2016) on June 26, 2021, by providing false information and suppressing various material facts from the authorities, most notably the fact that the amenities remained uncompleted. Furthermore, no proper maintenance of the project was undertaken by the Respondents, which resulted in significant damage to the structure and amenities.

6. Due to the incomplete handover, the pending issues regarding the Corpus Fund and Maintenance accounts, the failure of Respondent No. 1 to properly complete the project and resolve defects, and the pressing need to maintain the project to prevent further suffering of the members, all the allottees were constrained to formally constitute the Complainant society on June 6, 2024.

7. It was submitted that the Complainant continuously followed up with the Respondents regarding the ongoing issues, but the Respondents evaded them on various pretexts. Finally, a meeting was conducted on December 29, 2023, where the Respondents agreed to resolve all identified issues. Despite this, the Respondents also failed to hand over the Corpus Fund and failed to render true statements or receipts for the Maintenance amounts collected and disbursed, providing only incomplete statements that did not account for all 160 flats. Consequently, the Complainant issued a notice on August 1, 2024, demanding the payment of the Corpus Fund and Maintenance amounts. This led to subsequent meetings on August 1, 2024, and August 22, 2024, to discuss pending issues and payment timelines.

8. Aggrieved by the continued inaction and failure of the Respondents to resolve any issues, the Complainant issued a legal notice on November 7, 2024. Respondent No. 1 issued a reply notice on November 25, 2024, containing baseless denials and attempting to shift the blame onto the Complainant, although notably failing to deny its liability to refund the Corpus Fund and render true accounts.

9. The Complainant extensively detailed the statutory contraventions committed by the Respondents. It was submitted that the Agreement for Sale executed by the Respondents was not in compliance with the format prescribed under Rule 38 and the corresponding Annexure of the Telangana Real Estate (Regulation and Development) Rules, 2017. Furthermore, it was alleged that the Respondents fraudulently misrepresented on the TS RERA website that they had executed the prescribed format, thereby misleading the authorities and future allottees.

10. The Complainant provided a comprehensive and detailed list of the uncompleted amenities and glaring defects in the project, despite the issuance of the Occupancy Certificate: First, Respondent No. 1 failed to install electric fencing near the temple at the front entrance, causing significant safety concerns and enabling unauthorized entry. Second, the promised cupboards for document storage in the clubhouse room were not provided. Third, the banquet hall facilities lacked a promised background frame and a music system with an amplifier. Fourth, the clubhouse facilities were entirely devoid of water filters and gardening tools. Fifth, while a second generator was installed, it had not been tested with load, nor was it operated, leaving its capacity and operational status unverified. Sixth, regarding the Sewage Treatment Plant (STP), although installed, its capacity was unverified and it was not made operational. In this regard, the Commissioner of Narsingi Municipality had issued a notice dated December 12, 2024 (Notice No. 01/NMC/2024), threatening legal action against the Complainants because untreated sewage was being directed into municipal lines due to the STP's non-functionality. It was noted that Respondent No. 1 had falsely denied the STP's non-operational status in its reply notice dated November 25, 2024. Seventh, no exit drain pipes were provided at the basketball and tennis courts, leading to water clogging and damage. Eighth, equipment at the swimming pool, specifically umbrellas and lounge chairs promised in the brochure, were not provided.

11. The Complainant further submitted that the Respondents had committed offenses under Section 126 of the Electricity Act, 2003. A letter dated November 14, 2024, from the Southern Power Distribution Company of TG Limited (SPDC) revealed that electricity for the clubhouse was being improperly billed under domestic usage instead of commercial usage. This resulted in a penalty of Rs. 6,44,634 being levied, which the Complainant was constrained to pay (totaling Rs. 6,44,809) to ensure continued supply. It was discovered that this was a repeated occurrence, with previous notices and orders issued by SPDC in March 2022 and October 2024 regarding the misuse of electricity, all of which had been deliberately suppressed by the Respondents.

12. In addition to the incomplete amenities, the Complainant detailed numerous repairs necessitated by deficient services and improper maintenance by Respondent No. 1 during the two-year maintenance period: The lawn grass and sand in the kids' play area were not maintained. Improper flooring installed in the clubhouse on the terrace caused water leakage to the eighth floor below. The mats and flooring at the basketball/tennis courts were damaged, posing a safety hazard. Seepage in the cellar/basement ceilings and walls occurred due to poor

construction quality, requiring immediate repair to prevent structural damage. The overhead water tanks in Blocks A and B were leaking due to poor construction and installation. The toilet fittings in Blocks A and B were leaking and required redoing. The security room suffered from leakage, and the women's bathroom lacked a functional flush. The pillars in the staircases and common areas were damaged. A bore pump that was removed for repair by Respondent No. 1 was never returned. Individual flat walls suffered from water seepage due to poor construction quality. Water drains in the cellar were installed without an incline, causing severe waterlogging. A faulty machine was installed to back up security camera footage, causing safety concerns. Construction materials and waste were deposited in the cellar and left uncleared. Finally, the bathroom doors in individual flats were rotting and damaged due to the utilization of poor-quality materials.

13. Addressing the severe harassment faced by the residents, it was submitted that an FIR (Crime No. 1789 of 2024) was registered on December 9, 2024, at the Narsingi Police Station against Respondent No. 2 (Mr. G. Shiva Reddy, Landowner) under Sections 79, 351(2), and 324(4) of the Bharatiya Nyaya Sanhita, 2023. The FIR detailed that he harassed female residents, engaged in altercations with security guards, and caused significant damage to the entry and exit barricades, resulting in the security personnel abandoning the premises. It was further averred that when Respondent No. 2 was repeatedly requested to deposit the Corpus Fund with the Association, he retaliated by damaging the project complex buildings.

14. It was also submitted that Respondent No. 2, with mala fide intent to arm-twist the Complainant into halting their lawful requests for the Corpus Fund, began filing baseless complaints before statutory authorities. Relying on one such baseless complaint claiming non-compliance with approvals, the Municipal Commissioner of Narsingi Municipality issued a Show Cause Notice to the Complainant on January 23, 2025. It was highlighted that all approvals had been obtained by the landowners themselves, and flats were sold based on their own representations.

15. In conclusion, it was submitted that the Respondents repeatedly broke their promises and breached the trust of the Complainant. Having collected the full sale consideration upfront on false assurances, the Respondents deliberately prolonged the completion of the project and the provision of amenities, attempting to deflect and escape their responsibilities. The actions and inactions of the Respondents clearly indicated a mala fide intent to cheat and unjustly enrich themselves, causing profound inconvenience and hardship to the Complainants due to

major and continued lapses in service quality and statutory compliance, leaving them with no alternative but to approach the Authority for redressal.

B. Interim Relief(s) Sought

- i. Pending the adjudication and disposal of this complaint, the Respondent be directed to deposit the amount of Rs. 1,60,00,000/- (Rupees One Crore Sixty Lakhs Only) (calculated at Rs.1,00,000/- per flat/allottee for 160 flats) i.e. the Corpus Fund due and payable by the Respondents to the Complainant, with this Hon'ble Authority to secure the amount payable to the Complainants.*
- ii. Any other interim relief that this Hon'ble Authority deems fit and proper on the facts and in the circumstance of this case, in the interest of justice.*

16. This Authority observes that the Corpus Fund is a critical and essential reserve collected from allottees at the time of purchase, intended to meet the long-term maintenance requirements, repair works, and future capital expenditure of the project. Once the project is handed over and the Association of Allottees is constituted and registered, the Corpus Fund must necessarily be transferred to and held in the official account of the said Association, so as to enable the allottees to effectively maintain and manage the common areas and amenities of the project.

17. In the present case, the total Corpus Fund collected from the allottees amounts to Rs. 1,60,00,000/- (Rupees One Crore Sixty Lakhs Only), calculated at Rs. 1,00,000/- per flat for 160 flats. As per the Addendum Supplementary Deed to the Development Agreement-cum-General Power of Attorney dated 26.04.2021, the sharing arrangement between the parties was clearly delineated, whereby Respondent Nos. 2 to 5, being the landowners, were entitled to a 44% share of the apartments, equivalent to 70 flats, and Respondent No. 1, being the developer, was entitled to the remaining 56% share, equivalent to 90 flats, out of the total of 160 flats in the project. In accordance with this sharing arrangement, the Corpus Fund collected from the respective allottees of each party's share would correspondingly be attributable to and held by that party. The project is presently being maintained by the Complainant, namely the Serenity Park Flat Owners Maintenance Mutually Aided Co-Operative Society Limited, which has been duly constituted by the allottees. It is placed on record that Respondent No. 1 has already remitted an amount of Rs. 90,00,000/- (Rupees Ninety Lakhs Only) towards its share of the Corpus Fund collected by it in respect of its 90 flats, to the Complainant association. With regard to Respondent Nos. 2 to 5, it has been submitted before this Authority during the course

of proceedings that they have collected the Corpus Fund in respect of their 70 flats, and that the amount collected has neither been remitted to the Complainant association nor to Respondent No. 1 and continues to remain under the control of Respondent Nos. 2 to 5 to date.

18. This Authority is of the considered view that a prima facie case is made out for directing the remittance of the balance Corpus Fund to the Complainant association. The Corpus Fund, being collected for the specific purpose of maintenance and upkeep of the project, must be held and managed by the Association of Allottees, which is presently discharging the responsibility of maintaining the project. The continued retention of the said funds by Respondent Nos. 2 to 5 is unjustified and prejudicial to the interests of the allottees.

19. Accordingly, in exercise of the powers conferred under Sections 36 of the Real Estate (Regulation and Development) Act, 2016, this Authority hereby passes the following **INTERIM ORDER:**

- i. Respondent Nos. 2 to 5, namely Sri Gangidi Shiva Reddy, Sri Gangidi Prabhakar Reddy, Sri Gangidi Shyam Sunder Reddy, and Smt. Muddam Vijaya Lakshmi, are hereby directed to remit the balance Corpus Fund amount of ₹70,00,000/- (Rupees Seventy Lakhs only), together with interest at the rate of the prevailing State Bank of India MCLR + 2% per annum (calculated from the respective dates of deposit by the allottees), to the official bank account of the Complainant association, namely Serenity Park Flat Owners Maintenance Mutually Aided Co-operative Society Limited, within a period of fifteen (15) days from the date of receipt of this Order.*
- ii. Failure to comply with the above directions within the stipulated period shall attract further action in accordance with Section 63 of the Real Estate (Regulation and Development) Act, 2016.*

20. The matter is posted for further hearing on 10.06.2026.

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

Sd/-
Sri Laxmi Narayana Jannu,
Hon'ble Member,
TG RERA

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