

***THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND**

***THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN**

+ WRIT APPEAL No.281 of 2026

%02-04-2026

Between

Pristine Estates Villa Owners Maintenance,
Mutually Aided Co-operative Society Limited

....Appellant

And

B. Srinivas Rao and 13 others

....Respondents

!Counsel for the appellant : Sri M.S.Srinivasa Iyengar, learned
Senior Counsel representing
Sri Hirendernath.

^Counsel for the respondents : Sri K.Vivek Reddy, learned Senior
Counsel representing Sri
Kondaparthi Kiran Kumar,
learned counsel for respondent
Nos.1 and 2
Ms.B.Mohana Reddy, learned
Government Pleader for Cooperation
for respondent Nos.3 and 4
Sri Pranav Munigela, learned
counsel for respondent No.5
Sri T.P.S.Harsha, learned counsel
for respondent Nos.6 to 14

<Gist :

>Head Note :

? Cases referred

1. W.P.Nos.14493 and 14519 of 2023 dt.09.06.2025
2. 1993 Supp (4) SCC 46

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND**

THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT APPEAL No.281 of 2026

DATE: 02.04.2026

Between:

Pristine Estates Villa Owners Maintenance,
Mutually Aided Co-operative Society Limited

....Appellant

And

B. Srinivas Rao and 13 others

....Respondents

JUDGMENT

(Per Hon'ble Sri Justice G.M.Mohiuddin)

Heard Sri M.S.Srinivasa Iyengar, learned Senior Counsel representing Sri Hirendernath, learned counsel for the appellant; Sri K.Vivek Reddy, learned Senior Counsel representing Sri Kondaparthi Kiran Kumar, learned counsel appearing for respondent Nos.1 and 2; Ms.B.Mohana Reddy, learned Government Pleader for Cooperation appearing for respondent Nos.3 and 4; Sri Pranav Munigela, learned counsel appearing for respondent No.5, Sri T.P.S.Harsha, learned counsel appearing for respondent Nos.6 to 14.

2. This writ appeal, preferred under Clause 15 of the Letters Patent, assails the order dated 26.02.2026 passed by the learned Single Judge in W.P.No.18220 of 2025. By the said order, the learned

Single Judge allowed the writ petition filed by respondent Nos.1 and 2 herein (hereinafter referred to as “promoters”) and set aside the registration of the Pristine Estates Villa Owners Maintenance Mutually Aided Co-operative Society Limited (hereinafter referred to as “the Appellant Society”), which was registered under the Telangana Mutually Aided Co-operative Societies Act, 1995 (hereinafter referred to as “TMACS Act”), and directed respondent Nos.1 and 2 herein to draft bye-laws in accordance with the provisions of the TMACS Act and to submit an application for registration in terms thereof. It was further directed that the funds collected by appellant society shall be kept in a suspense account and shall be returned to the contributors after due deduction of the expenses already incurred therefrom.

Factual matrix

3. The dispute primarily concerns the governance, administration, and maintenance of a gated residential community project known as “*Pristine Estates*”, developed by respondent Nos.1 and 2 herein, namely Sri B. Srinivas Rao and Smt. B. Usha Rani, along with other landholders.

4. On 08.06.2011, the Greater Hyderabad Municipal Corporation (GHMC) accorded building permission *vide* Permit No.2581/HO/WZ/Cir-11/2010 for development of the said gated community. As per the sanctioned layout and building plan, the project contemplated construction of 105 independent villas, together

with 6 units earmarked for Economically Weaker Sections (EWS) and 6 units for Lower Income Group (LIG), in compliance with G.O.Ms.No.528 dated 31.07.2008, which mandates inclusion of all social housing components. The validity of the said building permission was subsequently extended by virtue of G.O.Ms.No.7 dated 05.01.2016.

5. During the period between 2012 and 2014, the promoters alienated several plots in favour of prospective purchasers and entered into independent construction agreements with them. Thereafter, between 2019 and 2023, GHMC issued Occupancy Certificates in respect of 74 villas constructed within the project, including Villa No.67 owned by respondent No.5 herein. However, the project, as a whole, remained incomplete, with several common amenities, including but not limited to the clubhouse and other shared facilities, not having been fully developed, completed, or handed over to the allottees.

6. On 21.10.2022, the District Co-operative Officer (DCO), Ranga Reddy District (respondent No. 4 herein), registered the appellant society under the provisions of the TMACS Act. The said registration was purportedly granted based on an application dated 10.10.2022 and a verification/inspection report dated 19.10.2022 submitted by the Assistant Registrar.

7. The formation of the said society was ostensibly undertaken by a section of villa owners on account of the alleged failure and inaction of the promoters in completing the project and in facilitating the formation of an association of allottees. The appellant society claims to consist of 57 members representing 57 villas out of the total 95 villas presently in existence. Significantly, the allottees of the 12 LIG/EWS units (respondent Nos.6 to 14 herein) were neither issued notice prior to such formation nor included as members of the society, thereby raising serious concerns regarding exclusion and lack of representation.

8. Aggrieved by the registration of the appellant society, the promoters instituted the underlying W.P.No.18220 of 2025 before the writ Court on 26.06.2025, challenging the legality and validity of the said registration. It was contended *inter alia* that the registration was vitiated by illegality, arbitrariness, and violation of the mandatory provisions of Sections 4 and 5 of the TMACS Act, inasmuch as:

- i. No notice was issued to the majority of the villa owners;
- ii. The registration was based on a fabricated and erroneous field verification report;
- iii. The verification report incorrectly recorded that the project consisted of “100 flats” and that only “22 flats” were sold, whereas in fact 87 villas and 12 LIG/EWS units had already

been sold and registered by the year 2020, with property tax assessments duly made and taxes being paid;

- iv. Out of the alleged 17 signatories to the promoters' meeting, four belonged to the same families (being spouses), thereby violating the requirement under Section 4(1) of the TMACS Act that members must be individuals from different families.

9. The appellant society filed its counter-affidavit opposing the writ petition, asserting that its registration was valid and in accordance with law, and further contending that the promoters lacked *locus standi* to challenge the same. It was specifically urged that the promoters had failed to discharge their statutory obligation under Section 11(4)(e) of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "RE (R&D) Act 2016") to facilitate the formation of an association of allottees within a reasonable time, thereby compelling the villa owners to form the society themselves. Reliance was also placed on the order dated 04.07.2025 passed by the Telangana State Real Estate Regulatory Authority (TS RERA) in C.C.No.187 of 2024, wherein the failure of the promoters to facilitate such association was noted, though the appellant society was recognized subject to the outcome of the W.P.No.18220 of 2025 and not declared as the final authority. The relevant portion order dated 04.07.2025 is extracted hereunder:

(iii) The Respondents No. 2 to 10 are hereby directed to strictly comply with the statutory mandate under Sections 11(4)(f), 17(1) of the Real Estate (Regulation and Development) Act, 2016. The common areas, including the clubhouse and amenities block, form an integral part of the sanctioned project layout and shall be conveyed only to the lawfully constituted Association of Allottees or the competent authority, as the case may be, in accordance with the sanctioned plan. This direction shall be subject to the outcome of W.P. No. 18220 of 2025, and the said handover shall be effected to whichever Association of Allottees is ultimately recognised-in accordance with law.

(emphasis supplied)

10. Respondent Nos.6 to 14 herein, who are allottees of LIG/EWS units, filed separate counter-affidavits and implead applications, vehemently opposing the appellant society. The following aspects were placed on record:

- i. The bye-laws of the appellant society were framed in a manner designed to exclude them;
- ii. The society imposed an exorbitant and prohibitive membership fee of Rs.5,00,000/-, contrary to the principle of “free admission” as envisaged under G.O.Ms.No.528 and the assurances given at the time of allotment;
- iii. The very constitution and functioning of the appellant society was discriminatory in nature and intended to defeat the object of inclusive social housing policy.

11. Upon consideration of the pleadings, material on record, and applicable legal principles, the learned Single Judge allowed the writ petition by order dated 26.02.2026. The Court recorded a categorical finding that the respondents therein (including the appellant society and official authorities) failed to rebut the material factual

inconsistencies pointed out in the verification report. On this ground alone, the registration was held to be unsustainable and liable to be set aside. The learned Single Judge further held, placing reliance on the decision of this Court in ***M/s. Saket Engineering Pvt. Ltd. v. State of Telangana***¹, that:

- i. There cannot be multiple societies for a single project;
 - ii. The Registrar is under an obligation to conduct proper verification and call for objections from all stakeholders prior to registration.
- 12.** Consequently, the registration of the appellant society was set aside. The promoters were directed to draft appropriate bye-laws and initiate the process for formation of a new society in accordance with law, and the appellant society was directed to keep the funds collected by it in a suspense account for eventual transfer or refund.

13. Aggrieved by the said order, the appellant society has preferred the present Writ Appeal.

Submissions on behalf of appellant society

14. Learned Senior Counsel for the appellant society assailed the order dated 26.02.2026 passed by the learned Single Judge and has advanced his submissions as under:

- i) That the appellant society was duly and validly registered on 21.10.2022 by the competent authority under the provisions of

¹ W.P.Nos.14493 and 14519 of 2023 dated 09.06.2025

the TMACS Act, upon due consideration of the application dated 10.10.2022 and the verification/inspection conducted by the Assistant Registrar on 15.10.2022, culminating in a report dated 19.10.2022. It was submitted that the statutory requirement prevailing at the relevant time mandated a minimum of 10 members from different families for registration of a society, whereas the appellant society comprised 17 members satisfying the said requirement.

- ii) That the discrepancies noted in the verification report, such as the description of the residential units as “flats” instead of “villas” or variation in the number of units, are minor, clerical, and inconsequential in nature, and do not go to the root of the matter so as to vitiate or invalidate the registration granted by the competent authority.
- iii) That respondent Nos. 1 and 2 (promoters) lack the *locus standi* to question the registration of the appellant society, as they are neither allottees nor residents within the project. It was further submitted that the promoters themselves failed to discharge their statutory obligation under Section 11(4)(e) of the RE (R&D) Act 2016, which mandates facilitation of formation of an association of allottees within a reasonable period. According to the learned counsel, such prolonged inaction on the part of the promoters, extending over more than a decade, necessitated

and compelled the allottees to constitute the appellant society for the purpose of safeguarding their collective rights.

- iv) By placing reliance on the order dated 04.07.2025 passed by the TS RERA in C.C.No.187 of 2024, it is submitted that the Authority recorded a finding that the failure of the promoters to facilitate the formation of an association had compelled the allottees to constitute an association on their own. It was further submitted that the learned Single Judge failed to accord due weightage and consideration to the aforesaid findings which substantiate the necessity, legality, and *bona fides* underlying the formation of the appellant society.
- v) That the learned Single Judge erred in applying the ratio laid down in ***M/s. Saket Engineering Pvt. Ltd.*** (supra 1) inasmuch as the said decision pertained to a multi-phase development project, whereas the project in question is a single, standalone project.
- vi) That the finding of the learned Single Judge regarding procedural irregularity is based on minor inconsistencies in the verification report and does not warrant the drastic consequence of setting aside the registration. Learned Senior Counsel also submitted that the appellant society has been in existence and functional for over three years, actively managing maintenance and day-to-day affairs of the community, and that

cancellation of its registration at this stage would cause immense hardship to its 57 members.

- vii) That the bye-laws of the appellant society are structured in relation to “villa owners,” as the LIG/EWS units are situated in a separate block and do not form part of the core layout for which the society was constituted. It was further submitted that the LIG/EWS units have separate access and that their grievances are primarily directed against the promoters. Therefore, the appellant society cannot be held responsible for their non-inclusion or alleged exclusion of LIG/EWS allottees.

Submissions on behalf of respondent Nos.1 and 2 (Promoters)

15. Learned Senior Counsel for respondent Nos.1 and 2 supported the order dated 26.02.2026 passed by the learned Single Judge and has advanced the submissions as under:

- i) Learned Senior Counsel drew the attention of this Court to the specific averments set out in the writ petition, which according to him, have not been controverted by the official respondents or the appellant society. It was submitted that the verification report dated 19.10.2022 forming the basis for registration of the appellant society suffers from serious and material inconsistencies, namely:
- a) the verification is stated to have been conducted on 15.10.2022, whereas the report is dated 19.10.2022;

- b) the checklist appended to the report records “total flats – 100” and “22 flats sold,” whereas, as on that date, 87 villas along with all 12 LIG/EWS units had already been sold and registered, and property taxes were being assessed and paid since the year 2020;
- c) though the promoters’ meeting is shown to have 17 signatories, four of such signatories belong to two families i.e., Sumathi Mohan Rangineni, Vijay Mohan Rangineni & Raju Rajesh, Deepa Bhupathi Raju, thereby violating the mandate under Section 4(1) of the TMACS Act requiring members to be from different families.

On the basis of the aforesaid aspects, it is submitted that the very foundation of the registration is vitiated, as it is based on a defective and unreliable verification report. It was further submitted that these material discrepancies go to the root of the matter and justify the setting aside of the registration, as rightly held by the learned Single Judge.

- ii) That the bye-laws of the appellant society are structured in a manner that effectively excludes the allottees belonging to the LIG/EWS category, who form an integral component of the project in terms of G.O.Ms.No.528 dated 31.07.2008. That such exclusion defeats the very object of the social housing policy underlying the said G.O and results in creation of an exclusive body of select villa owners, thereby rendering the

constitution and functioning of the appellant society discriminatory and illegal.

- iii) That presently the promoters continue to bear the expenses towards maintenance of the entire project, including payment of electricity and water charges for common areas and infrastructure. In this regard, reliance was placed on the invoices forming part of the paper book on pages 412-425, which demonstrate that the burden of maintaining common amenities continues to be discharged by the promoters. It was further submitted that the activities of the appellant society, even as claimed by it, are confined to internal arrangements among its members and do not extend to maintenance of the common infrastructure of the project as a whole.
- iv) That the principle laid down in ***M/s. Saket Engineering Pvt. Ltd.*** (supra 1) squarely applies to the present case, inasmuch as the said decision lays down that there cannot be more than one society in respect of a single project, in order to avoid conflict, multiplicity, and administrative disharmony, and the failure on the part of the registering authority to call for objections from all stakeholders, particularly the LIG/EWS allottees is unsustainable in law.

Submissions on behalf of respondent Nos.6 to 14 (LIG/EWS Allottees)

16. Learned counsel appearing for respondent Nos.6 to 14, supported the impugned order and addressed submissions with regard to the necessity of an inclusive association, which are as follows:

- i) Learned counsel placed reliance on G.O.Ms.No.528 dated 31.07.2008 which contemplates and mandates a social housing mix by requiring inclusion of LIG and EWS units in such projects. It was submitted that the building permission itself was granted subject to incorporation of such LIG/EWS components, and therefore, any association formed in respect of the project is required to include all such allottees, and such non-inclusion of LIG/EWS allottees in the appellant society affects the validity of its registration.
- ii) That the stipulation such as requirement of payment of Rs.5,00,000/- as a condition for membership in the appellant society operates as a prohibitive barrier, as such a requirement is inconsistent with the principle of “free admission” underlying the policy reflected in G.O.Ms.No.528, as well as the assurances extended at the time of allotment, and has the effect of excluding LIG/EWS allottees on economic grounds.

- iii) Learned counsel referred to earlier proceedings involving the club-house lessee, HH Business Enterprises LLP, in O.S.No.553 of 2024 which culminated in a compromise decree, to indicate the existence of disputes relating to access and participation of LIG/EWS allottees in common facilities.
- iv) That the appeal is liable to be dismissed and that appropriate directions may be issued for formation of a single association encompassing all categories of allottees, including villa owners, LIG, and EWS unit holders. It was further submitted that such an association may provide for representation of all categories in its governing body, in order to give effect to the objectives underlying the housing project in both letter and spirit.

17. After a careful consideration of the rival submissions and the material on record, this Court finds that the present appeal reflects a classic case of a fragment of a community seeking to control the rights and interests of the larger body of allottees, and the sub-version of the statutory scheme envisaging social inclusion by economic exclusion. Therefore, the controversy is not confined to the procedural legality of the appellant society's registration but extends to the broader issue as to whether a gated community created/developed under a policy of social housing, can be permitted to be governed by an association that deliberately and effectively excludes the very section of society it was designed to include.

18. In light of the submissions advanced hereinabove, the issues that arise for consideration in this appeal are as follows:

- I. Whether the registration of the appellant society under the provisions of the TMACS Act, is legally sustainable, in the light of the alleged procedural infirmities in its formation and the non-inclusion of a section of stakeholders in the project?
- II. Whether a single residential project, developed with a mandatory social housing component comprising of LIG/EWS units, can be subjected to multiple associations (formed out of necessity upon exclusion from the registered association), and whether the association formed for the governance, management and maintenance of the units in a project is required to be inclusive of all categories of unit holders within the project?
- III. Whether the subsequent application of the provisions of the RE (R&D) Act 2016 to the project, and the observations made by the TS RERA, have a bearing on the validity and composition of the appellant society?
- IV. What is the appropriate remedial direction to ensure the establishment of a democratically representative and legally valid association for the entire project, in consonance with the principles of social inclusion as envisaged by the relevant Government orders?

Consideration by this Court**Issue-I: Validity of registration of the appellant Society under the TMACS Act**

19. It is pertinent to note that Section 4 of the TMACS Act prescribes the procedure for registration of a society. Sub-section (1) mandates that not less than ten individuals, each belonging to a different family, must come together with the intention of forming a society. Sub-section (4) further obligates the Registrar to satisfy himself that the application conforms to the provisions of the Act before granting registration. The statutory scheme thus makes it clear that the process of registration is not a mere formality, but requires due application of mind and a proper enquiry into the foundational requirements.

20. This position has been authoritatively laid down by this Court in *M/s. Saket Engineering Pvt. Ltd.* (supra 1), wherein it was held that the Registrar is duty-bound to verify the documents, invite objections from stakeholders, and ensure that no parallel or competing society exists for the same project prior to granting registration.

21. Section 4 of TMACS Act is extracted hereunder for ready reference:

Section 4. Registration.

(1) Where not less than twenty one individuals of class or category with common bondage and each being a member of a different family or intend to

form a Co-operative Society, or two or more Co-operative Societies of a class or category with common bondage and registered under this section wish to form into a federation, or a society registered (under the provisions) of the Telangana Co-operative Societies Act, 1964 intends to convert itself into a cooperative society under this Act, they shall frame bye-laws for this purpose in accordance with Section 3 in the first instance:

Provided that no Co-operative Society shall be registered as a Dairy or milk Co-operative Society and no Dairy or milk Co-operative Society registered under any other law shall be converted into a dairy or milk Co-operative Society under this Act:

Provided further that any Co-operative Society registered under this Act if wishes to get itself converted and incorporated as Company under Companies Act, 1956, shall have to first return the assets of the Government it received either directly or through any other agency and also return the Government land and machinery received, if any, and also any outstanding loans due to, or guarantees or any of such assistance given by the Government. Before applying for such conversion itself, a clearance certificate to this effect from the State Government based on the recommendations of the Registrar on whom powers are conferred as under Section 4 of this Act shall be obtained. No Co-operative Society which is a beneficiary of Government in terms of funds or land or any other assistance in any form as on date has not fully repaid/returned to the Government, can get registered under Companies Act:

Provided also that a Co-operative Society registered under this Act and migrated to Companies Act or any other Act (other than the Telangana Co-operative Societies Act, 1964) without returning the Government properties (movable or immovable) and without settling the legacy issues with the Government, such as goodwill are deemed to have returned back to this Act and shall be covered under the definition of Society either under this Act or under the Telangana Co-operative Societies Act, 1964, as the case may be, notwithstanding any resolution passed by the General body of the Society, in contravention of it.

(1A) Notwithstanding anything contained under this Act or under the provisions of the Telangana Co-operative Societies Act, 1964 (Act 7 of 1964.), all the Dairy/Milk Co-operative Societies registered or deemed to have been registered or converted under the provisions of this Act, shall be deemed to have been excluded from the provisions of this Act and deemed to have been registered and continued under the provisions of the Telangana Co-operative Societies Act, 1964.

(2) Thereafter an application for registration shall be submitted to the Registrar by hand or by registered post.

(3) Every such application shall be accompanied by,—

- (a) the original and one copy of the bye-laws of the proposed Co-operative Society as adopted by the individuals or delegates of Co-operative Societies who wish to form into a co-operative society under this Act or by the general body of a Society registered under the Telangana Co-operative Societies Act, 1964 which wishes to convert itself into a Co-operative Society under this Act;*
- (b) a list of names of individuals or co-operatives who wish to form into a Co-operative Society under this Act or of the members of the committee of the society registered under the Telangana Co-operative Societies Act, 1964 which intends to convert itself into a Co-operative Society under this Act with their addresses, occupations and their financial commitments along with*

address/and Identity proof of self and family members i.e. Aadhaar/Food Security card to the proposed Co-operative Society]

- (c) a true copy of the minutes of the meeting at which the bye-laws were adopted, duly signed by at least a majority of individuals or delegates present at the meeting where the bye-laws were adopted, or by a majority of the members of the Committee of the Co-operatives concerned where a Society registered under the Telangana Co-operative Societies Act, 1964 intends to convert itself into a Co-operative Society under this Act;*
- (d) registration fee amounting to one percent of the total authorized share capital by whatever name called subject to a minimum of one hundred rupees and a maximum of ten thousand rupees; and*
- (e) in the case of a Society registered under Section 7 of the Telangana Co-operative Societies Act, 1964 and wishing to convert itself into a Co-operative Society under this Act, evidence to show that the Society has returned to the Government, the share capital, loans, land/properties (movable/immovable), subsidies, concessions, interest it received from the Government and No-objection Certificate issued by the Government in this regard before its application for conversion into this Act can be considered.*

(4) The Registrar shall if he is satisfied that,—

- (a) the application is in conformity with the requirements of this Act;*
- (b) the proposed bye-laws are not contrary to the provisions of this Act; and*
- (c) the name of the proposed Co-operative Society is not the same as that of a Co-operative Society already registered under this section, or the same as that used by a class of Societies already registered under Section 7 of the Telangana Co-operative Societies Act, 1964,—*

Register the Co-operative Society and also its bye-laws and communicate by registered post a certificate of registration and the original of the registered bye-laws signed and sealed by him, within period of sixty days from the date of submission of application, to the Chief Promoter mentioned in the application.

(5) If the conditions laid down in sub-section (4) are not fulfilled, the Registrar shall communicate by registered post the order of refusal together with the reasons therefor, within sixty days from the date of submission of application, to the Chief Promoter.

(6) There shall be appointed a Registrar of Mutually Aided Co-operative Societies for the State and as many other Officers as the Government may think fit for the purposes of this Act.

22. Before adverting to the issue, it is necessary, for a proper appreciation of the facts and the applicable law to reproduce the verification report dated 19.10.2022:

GOVERNMENT OF TELANGANA
COOPERATION DEPARTMENT

From
K.Shantha
Assistant Registrar,
O/o DCO, RR District

To
District Cooperative
Officer,
Ranga Reddy District.

Letter Rc.No.06/2022, Dated:19.10.2022.

Madam,

Sub:- Cooperation Department – MACS – “Pristine Estates Villa Owners Mutually aided Cooperative Society, Sy.No.159, 162P, Club House, Pristine Estates, Tellapur Road, Gopannapally Thanda, Gopannapally Village Village, Ranga Reddy District – Submission of verification report – Reg.

Ref:- E-Sahakara seva Online application received on 01.10.2022

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In compliance to the instructions issued vide references cited, I submit that, I have visited the proposed “Pristine Estates Villa Owners Mutually aided Cooperative Society., Gopannapally Village Village, Ranga Reddy District on 15.10.2022 at the address of the proposed society and verified the proposals and conducted meeting with the promoters of the proposed society and submit the report as follows.

6. There are (11) promoter/members in the proposed society total flats in the society (35) Flats and verified the original sale deeds of the promoters, all the members are genuine and residing in Sy.No.159, 162P, Club House, Pristine Estates, Tellapur Road, Gopannapally Thanda, Gopannapally Village Village, Ranga Reddy District.
7. The Address- The address of the proposed society is situated at, Sy.No.159, 162P, Club House, Pristine Estates, Tellapur Road, Gopannapally Thanda, Gopannapally Village Village, Ranga Reddy District.
8. The Area of Operation- The area of operation of the proposed society shall be “Pristine Estates Villa Owners Mutually aided Cooperative Society., Sy.No.159, 162P, Club House, Pristine Estates, Tellapur Road, Gopannapally Thanda, Gopannapally Village Village, Ranga Reddy District limits.
9. Byelaws – Model byelaws of the proposed society prepared under the provisions of the TSMACS Act, 1995 are adopted in the promoters meeting held on 19.10.2022 resolved unanimously to approve the byelaws with the area of operation is Ranga Reddy District limits and resolved to submit the same before the concerned registering authority for registration.
10. Financial Feasibility – The authorized share capital of the society shall be 5,00,000/- (Rupees Five Lakhs Rupees only) made up of 100 shares of Rs.1000 each.

The proposals are in conformity with the provisions of the MACS Act, 1995 the proposed society may be recommended for registration. The proposals are submitted herewith in 2 sets with attestation on all required documents for necessary action.

Enclosures: 1. (1) sets of proposals
2. Original copy of the Promoters meeting

Yours faithfully,

Sd/-

(K.Shantha)

Assistant Registrar
O/o DCO, RR Dist.

Check List for Registration of The Pristine Estates Villa Owners Maintenance Mutually Aided Cooperative Society Ltd., Gopannapally Thanda, Gopannapalle Village of Serilingampally Mandal, Ranga Reddy District.

1.	Name of the Proposed Society	The Prestine Estates Villa Owners Maintenance Mutually Aided Cooperative Society Ltd.,	
2.	Names of the Promoters	1.	MAMIDI SRINIVAS REDDY
		2.	ILINANI DEEPIKA
		3.	VENKATA RAMANA SRIPADA
		4.	RAJU RAJESH
		5.	BILIA HARSHA VARDHAN REDDY
		6.	RAMESH VEERAMALLA
		7.	KATTA SITARAM REDDY
		8.	GUJJA SUMAN RAO
		9.	RANGINENI VIJAYAMOHAN
		10.	RAVULA SIRISH KUMAR
		11.	BHARGAVI SUNKALA
3.	Total No. of Flats	100	
4.	No. of Flats Sold	22	
5.	No. of Members agreed for the Registration of the Proposed Society	18	
6.	Percentage of Members Agreed for the registration of Proposed Society	85%	81.8%
7.	Date of Meeting Conducted by Verification Officer	15.10.2022	
8.	No. of Members attended the Meeting	18	
9.	Whether the Proposal is in accordance with the provisions of the act	Yes	
10.	Recommendation of the Verification Officer	Recommended	
11.	Remarks	Total Apartment consists 100 Flats and out of 22 flats are sold and 78 flats are there with the builder	

Sd/-

Signature of the Verification Officer

PROMOTERS MEETING

Meeting of the promoters of the "The Pristine Estates Villa Owners Maintenance Mutually Aided Cooperative Society Limited, Sy.No.159, 162P, Club House, Pristine Estates, Tellapur Road, Gopannapally Thanda, Gopannapalle, Ranga Reddy District, Telangana State is Convened on 15-10-2022 @ 11.00 A.M in the presence of Smt.K.Shantha, Assistant Registrar/Office, O/o the District Cooperative Officer, Ranga Reddy District. The following promoters

attended the meeting for Verification of genuineness, feasibility and necessity of the proposed society.

<u>Sl.no.</u>	<u>Name of the promoter</u>	<u>Signature</u>
1.	MAMIDI SRINIVAS REDDY	Sd/-
2.	ILINANI DEEPIKA	Sd/-
3.	VENKATA RAMANA SRIPADA	Sd/-
4.	RAJU RAJESH	Sd/-
5.	BILIA HARSHA VARDHAN REDDY	Sd/-
6.	RAMESH VEERAMALLA	Sd/-
7.	KATTA SITARAM REDDY	Sd/-
8.	GUJJA SUMAN RAO	Sd/-
9.	RANGINENI VIJAYAMOHAN	Sd/-
10.	RAVULA SIRISH KUMAR	Sd/-
11.	BHARGAVI SUNKALA	Sd/-
12.		

Sd/-
(K.Shantha)
Assistant Registrar
O/o DCO, RR Dist

13.	CHITTURI ANITA	Sd/-
14.	RAJASHEKAR VODELA	Sd/-
15.	SUMATHI MOHAN RANGINENI	Sd/-
16.	RICHA BUDDINENI	Sd/-
17.	B.NEELIMA REDDY	Sd/-
18.	DEEPA BHUPATHIRAJU	Sd/-

23. After considering the material placed on record, including the documents filed before the learned Single Judge this Court has noted the following observations as under:

- i. The respondent Nos.1 and 2 herein (writ petitioners) raised specific and serious allegations regarding the fabrication of the field verification report dated 19.10.2022. It was pointed out that the verification report dated 19.10.2022 records that there

are “100 flats” and only “22 flats sold.” This stands in stark contrast to the case of the writ petitioners, supported by property tax receipts and a detailed list of villa owners, demonstrating that 87 villas along with all 12 LIG/EWS units had already been sold and registered by the year 2020.

Significantly, the appellant, in its counter-affidavit, did not specifically deny this core factual assertion. The DCO (4th respondent), in his counter-affidavit, merely stated that the verification officer submitted a report recommending registration, without addressing the correctness of the underlying data. In this context, the principle laid down by the Hon’ble Supreme Court in ***Naseem Bano v. State of U.P.***² squarely applies, wherein it was held that uncontroverted averments in a writ petition may be treated as admitted. The failure of both the official respondents and the appellant to explain the glaring discrepancy between the verification report (100 flats, 22 sold) and the ground reality (105 villas and 12 units, with approximately 98 units sold) assumes critical significance and renders the foundation of the registration suspect. The relevant portion of the said decision in ***Naseem Bano***’s case (supra 2) is extracted hereunder:

9. Since no dispute was raised on behalf of respondents 1 to 4 in their reply to the averments made by the appellant in the writ petition that 40 per cent of the total number of posts had not been filled by promotion, inasmuch as the said averments had not been

² 1993 Supp (4) SCC 46

controverted, the High Court should have proceeded on the basis that the said averments had been admitted by respondents.

- ii. Regarding the compliance with Section 4(1) of the TMACS Act, the list of promoters who attended the formation meeting discloses that certain individuals belong to the same family. For instance, Sumathi Mohan Rangineni and Vijay Mohan Rangineni are the wife and husband; similarly, Raju Rajesh and Deepa Bhupathi Raju are also husband and wife. The statutory requirement expressly mandates that the promoters must be from different families. While the total number of signatories may still exceed the minimum threshold of ten, the inclusion of members from the same family reflects a procedural irregularity and indicates the absence of a broad-based and representative formation of the society. It lends credence to the contention that the society was constituted by a limited and interconnected group rather than through a wider consultative process.
- iii. Further, it is not in dispute that no notice was issued to the LIG/EWS allottees or to several other villa owners prior to the registration of the appellant society. The Registrar did not invite objections or put all stakeholders on notice before granting registration. This omission is in clear violation of the principles laid down by this Court in ***M/s. Saket Engineering Pvt. Ltd.*** (supra 1). The requirement of inviting objections is not a mere procedural formality, but a substantive safeguard to ensure transparency and inclusivity in the formation of a society that is

intended to represent an entire residential community. The failure to adhere to this requirement constitutes a fundamental defect in the decision-making process.

- iv. Upon perusal, the bye-laws of the appellant society indicate that they are expressly confined to “Villa Owners.” Clause 2(d) defines a “Member” as “the villa owner of the Pristine Estates Villas,” thereby unequivocally excluding the LIG/EWS allottees. Such exclusion is explicit and unambiguous. A society, which by its very constitution excludes a class of allottees who are otherwise entitled to be part of the project, cannot be regarded as a valid association representing the entire body of allottees. The subsequent imposition of a demand of Rs.5,00,000/- towards “membership fee” for inclusion only aggravates the discriminatory character of the society.

24. In view of the foregoing analysis, this Court is of the considered opinion that the registration of the appellant society is vitiated by fundamental infirmities. The registration appears to have been granted on the basis of a verification report that does not reflect the actual position on the ground. The mandatory requirement of inviting objections from all stakeholders has been disregarded, resulting in a violation of the principles of natural justice. More importantly, the Constitution and bye-laws of the society are inherently exclusionary, particularly in relation to the LIG/EWS allottees, which is contrary to the statutory framework governing the project. Therefore, the findings

recorded by the learned Single Judge on this issue do not warrant interference and are affirmed.

Issue-II: Whether the appellant society can exclude LIG/EWS allottees

25. The governing legal framework mandates inclusivity of all sections of people-owners/allottees of all categories of units in the project, in the formation and functioning of associations in group housing projects. G.O.Ms.No.528 dated 31.07.2008, issued by the Government of Andhra Pradesh, introduced amendments to the applicable regulations with the objective of ensuring a “social housing mix.” In terms of Clause 5(iii)(b) and (c) of the amended regulations for Group Housing Schemes, it is expressly stipulated that not less than 5% of the total units shall be earmarked for EWS and another 5% for LIG dwelling units. The building permit granted for the project in question was subject to these very conditions. Therefore, the project is not merely a cluster of villas, but a statutorily integrated residential community. Clause 5(iii)(b) and (c) is extracted hereunder for ready reference:

“5 (iii) Group Housing Schemes:

(i) In respect of Group Housing Projects (which include apartment block/blocks, row housing, cluster housing, mixed housing units, gated developments and residential enclaves) in sites 4000 sq m and above, out of the total site area:

*a) ******

b) Atleast 5% of the total units shall be set apart and developed for Economically Weaker Sections of Society (EWS) dwelling units with maximum plinth area of 25 sq m;

c) Atleast 5% of the total units shall be set apart and developed for Lower Income Group (LIG) dwelling units with maximum plinth area of 40 sq m; For providing the above dwelling units within the site, the owner/developer is given freedom to build these units in a separate block with separate access.

(ii) In case it is not found feasible by the owner/developer to provide the above EWS and LIG dwelling units within his site, the owner/developer is given option to develop the required number of units under both categories in any land within 5 km radius of the existing site with minimum BT road connectivity of 12 m. Alternatively, the owner/developer is given option to hand over the equivalent land within 5 km radius with minimum BT road connectivity of 12 m to Hyderabad Urban Development Authority/Hyderabad Airport Development Authority for facilitating development of EWS/LIG housing.

(iii) Servant quarters constructed shall be reckoned towards EWS housing requirements in Group Housing Schemes. In case of gated community developments and row housing, such quarters shall be detached from the main building and may also be allowed in the rear setback provided the total length shall not exceed 1/3rd of plot width and only single storied structure shall be allowed. As an option in gated developments and row housing the EWS and LIG dwelling units can be accommodated in a separate block or blocks. In case of Residential Complexes, the servant quarters may be within the same block provided it is constructed with separate entrance and with separate kitchenette and toilet facility. Such Servant Quarters only will qualify to be reckoned as EWS Units. Alternatively, the EWS and LIG dwelling units in such Complexes can be accommodated in a separate block or blocks”.

26. Further, under the RE(R&D) Act 2016 the expression “association of allottees” is defined under Rule 2(b) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (for short ‘RERA Rules 2017’), as a collective of the allottees of a real estate project. Section 11(4)(e) of the RE(R&D) Act 2016 casts an obligation upon the promoter to facilitate the formation of such an association. The legislative intent is thus to ensure the creation of a unified body representing the collective interests of all allottees within a project. Additionally, this Court in **M/s.Saket Engineering Pvt. Ltd.** (supra 1) has categorically held that there cannot be more than one society for

a single project, as such multiplicity would lead to disharmony and conflicting claims. Further, the exclusion of LIG/EWS allottees from access to common facilities and participation in the association is violative of the principle of equality under Article 14 of the Constitution of India and undermines their right to dignified living under Article 21.

27. For proper appreciation of law, the aforesaid provisions of the RERA Rules 2017 and RE (R&D) Act 2016 are extracted hereunder for ready reference:

Rule.2(b) “association of allottees” means a collective of the allottees of a real estate project, by whatever name called, registered under any law for the time being in force, acting as a group to serve the cause of its members, and shall include the authorized representatives of the allottees;

Section 11. Function and duties of promoter.

(4) The promoter shall—

(e) enable the formation of an association or society or cooperative society, as the case may be, of the allottees, or a federation of the same, under the laws applicable:

Provided that in the absence of local laws, the association of allottees, by whatever name called, shall be formed within a period of three months of the majority of allottees having booked their plot or apartment or building, as the case may be, in the project;

28. Applying the aforesaid legal principles to the facts of the present case, this Court is of the considered view that the LIG/EWS units form an integral and inseparable component of the sanctioned project. They are not an incidental or subsequent addition. The project brochure and the building permit itself reflect their inclusion as part of the original layout. The common amenities, including the clubhouse and other shared facilities, are intended for the benefit and use

of all residents of the project not merely for the “villa owners”. The formation of an association restricted solely to “villa owners” results in the creation of a stratified, two-tier community, wherein LIG/EWS allottees stand effectively excluded. Such an arrangement runs contrary to the underlying objective of the social housing policy, which seeks integration and not segregation.

29. It is to be noted that the common amenities and facilities are collective properly and all the unit holders pay the cost of the common amenities and facilities through their purchase price as the cost of the amenities and facilities is distributed amongst all the unit holders. No unit holder(s) can claim exclusive rights in respect of common amenities and facilities.

30. It is also to be noted that the provisions of the TMACS Act and the RE (R&D) Act 2016 are required to be construed harmoniously. While the TMACS Act provides the procedural mechanism for registration of a society, the RE (R&D) Act 2016, read with the applicable G.Os, furnishes the substantive framework governing the composition of such an association. The entitlement of LIG/EWS allottees to participate in the association flows directly from the statutory and policy conditions under which the project itself was sanctioned. Any association formed in respect of the said project must necessarily conform to this overarching mandate. To permit the

functioning of an exclusive association would be to render the conditions of social housing illusory and nugatory.

31. Further, the present dispute itself illustrates the consequences of permitting an exclusionary association. The LIG/EWS allottees have been constrained to approach this Court to vindicate their rights. The allegations regarding installation of boom barriers, engagement of private security, and regulation of access to common areas by the appellant society, which have not been effectively controverted, demonstrate the potential for conflict inherent in such an arrangement. The principle enunciated in ***M/s.Saket Engineering Pvt. Ltd.*** (supra 1), that a single project must have a single association, is intended precisely to prevent such fragmentation and the resultant disharmony. The fact that the project constitutes a single, unified layout, and is not a multi-phased development, reinforces the necessity for a single, inclusive association.

32. In light of the above, this Court holds that a single project must necessarily have a single, democratically representative association. In the case of the project in question i.e., Pristine Estates, which has been conceived and sanctioned under a policy framework mandating social housing, such an association must, as a matter of legal requirement, be inclusive of all categories of allottees, including villa owners, EWS allottees, and LIG allottees. Any association that excludes a statutorily recognized class of allottees is not only contrary

to the principles of equality and inclusivity but is also unsustainable in law.

Issue-III: Effect of the TS RERA order dated 04.07.2025

33. It is a settled principle that an order of a statutory authority must be read as a whole and in its proper context. The jurisdiction of this Court under Article 226 of the Constitution of India is to examine the legality and validity of the registration of the appellant society. This Court is not bound by observations made by another forum on collateral issues, particularly when such observations are themselves made subject to the final outcome of proceedings pending before this Court.

34. It is apposite to note the proceedings before the TS RERA Authority arose out of a complaint filed by the appellant society seeking recognition and transfer of common amenities. The promoters questioned the maintainability of the complaint on the ground that the project was exempt from the applicability of the RE (R&D) Act 2016. The Authority, upon considering the amendment to Rule 2(j) of the Telangana RERA Rules by G.O.Ms.No.60 dated 04.03.2025, held that the project falls within the ambit of an “ongoing project” under the RERA framework.

35. Further, a careful reading of the TS RERA order makes it evident as to what it does not determine. The said order does not declare the appellant society to be the final or legally recognized

association of all allottees in the project. On the contrary, the findings recorded therein are expressly limited in scope. The TS RERA observed that the complainant association qualifies as a 'valid and competent association of allottees' only for the limited purpose of maintaining the complaint before it. The relevant portion of the said order is extracted hereunder:

96. Accordingly, this Authority holds that the Complainant Association qualifies as a valid and competent "association of allottees" for the purpose of maintaining the present complaint under the provisions of the RE(R&D) Act, 2016. The pendency of W.P.No.18220 of 2025, and the status quo direction therein, pertain solely to the procedural challenge of registration and cannot be read to oust or suspend the complainants' rights under the statute

36. Further, the operative direction makes it abundantly clear that the handover of common areas shall be effected only to the lawfully constituted Association of Allottees, and specifically stipulates that such direction shall remain subject to the outcome of W.P.No.18220 of 2025. It is further clarified therein that the handover shall be made to such association as may ultimately be recognized in accordance with law. Thus, the TS RERA order itself is expressly contingent upon the final adjudication by this Court in the present proceedings. The relevant portion of the said order is extracted hereunder:

140...iii. The Respondents No. 2 to 10 are hereby directed to strictly comply with the statutory mandate under Sections 11(4)(f), 17(1) of the Real Estate (Regulation and Development) Act, 2016. The common areas, including the clubhouse and amenities block, form an integral part of the sanctioned project layout and shall be conveyed only to the lawfully constituted Association of Allottees, or the competent authority, as the case may be, in accordance with the sanctioned plan. This direction shall be subject to the outcome of W.P.No.18220 of 2025, and the said handover shall be effected to whichever Association of Allottees is ultimately recognised in accordance with law.

37. Insofar as the observation of the TS RERA Authority regarding the failure of the promoters to constitute an association is concerned, the same cannot be construed as conferring legality upon the appellant society. While it may be that the inaction of the promoters prompted certain allottees to form an association, such formation must nevertheless conform to the requirements of law. An association which is exclusionary in nature and suffers from procedural infirmities cannot derive legitimacy merely on account of the promoter's omission to discharge its obligations. It is trite that an act otherwise unlawful does not become lawful merely because it was occasioned by the default of another.

38. Therefore, this Court holds that the TS RERA order dated 04.07.2025 does not validate or confer legitimacy upon the appellant society as the sole or lawful association representing all allottees of the Pristine Estates project. On the contrary, the said order expressly leaves the determination of that issue to this Court. Thus, the appellant cannot derive any support from the TS RERA order to sustain its claim of exclusive and valid registration.

Issue-IV: The appropriate remedy

39. It is pertinent to note that the scope of judicial review under Article 226 of the Constitution of India is not confined to setting aside illegal or arbitrary actions, but also extends in appropriate cases to issue suitable directions to ensure that statutory mandates are

effectuated and justice is rendered in a meaningful manner. Where the statutory scheme has been subverted or improperly implemented, this Court is empowered to mould the relief in such a manner as to remedy the injustice and restore compliance with the law.

40. In the present case, while the cancellation of the registration of the appellant society is a necessary consequence of the findings recorded herein, the same, by itself, would not suffice to resolve the larger issue. The material on record indicates that the project has remained without a legally valid and inclusive association for a considerable period. It is therefore imperative that the situation is rectified in a structured and legally compliant manner.

41. The promoters are under a statutory obligation in terms of Section 11(4)(e) of the RE (R&D) Act 2016 to facilitate the formation of an association of allottees. Equally, the LIG/EWS allottees derive a statutory entitlement to be included in such an association by virtue of the conditions imposed under G.O.Ms.No.528 dated 31.07.2008. These obligations and entitlements cannot be rendered illusory. The direction issued by the learned Single Judge to the promoters to draft bye-laws and initiate the process for registration constitutes a step in the right direction. However, having regard to the facts and circumstances of the case, this Court is of the opinion that greater clarity and specificity are required to ensure that the process culminates in the formation of a truly inclusive and representative

association. The process cannot be left unstructured so as to risk the emergence of another exclusionary body.

42. In this regard, the role of the District Co-operative Officer, Ranga Reddy District (respondent No.4) assumes significance. The District Co-operative Officer is required to actively oversee the process of formation and registration, ensuring adherence to statutory requirements, inclusivity of all categories of allottees, and compliance with the principles laid down herein. Such supervision is necessary to secure the formation of a single, unified association representing the entire project.

43. Therefore, this Court is of the considered view that, while affirming the decision of the learned Single Judge in setting aside the registration of the appellant society, further directions are required to guide and regulate the process of formation of a new association. The object is not to visit the members of the appellant society with adverse consequences, but to ensure that all stakeholders, including the promoters, villa owners, LIG/EWS allottees, and other unit holders, are brought within a common and inclusive institutional framework. In the above circumstances, this Court holds that a more detailed and structured set of directions is necessary to secure the formation of a single, inclusive association for the entire project.

Conclusion and directions

44. In view of the foregoing discussion, this Court finds no merit in the present appeal. The conclusion arrived at by the learned Single Judge that the registration of the appellant society is unsustainable does not warrant interference and is accordingly affirmed. The Writ Appeal is liable to be dismissed. However, having regard to the facts and circumstances of the case, and to ensure that complete justice is rendered between the parties and to ensure the establishment of a harmonious and legally compliant association, this Court deems it appropriate to modify the operative portion of the order of the learned Single Judge and to issue the following directions as under:

- i) Respondent No.4 herein, shall forthwith take necessary steps to facilitate the formation of a single, unified, and inclusive association/society of allottees for the entire Pristine Estates project.
- ii) The membership of the proposed society shall be open to all categories of unit holders in the project, without any discrimination whatsoever. Such membership shall expressly include:
 - a) All owners of villas, whether completed or under construction;
 - b) All allottees of the 6 EWS units;
 - c) All allottees of the 6 LIG units;

- d) Any other person having a legally recognizable ownership interest in any unit within the project layout.
- iii) The bye-laws of the proposed society shall explicitly reflect and incorporate the above inclusive membership criteria and the social housing policy as reflected in G.O.Ms.No.528 dated 31.07.2008 and the initial allotment conditions, shall be strictly adhered to.
- iv) Respondent No.4 shall, within a period of sixteen (16) weeks from the date of receipt of a copy of this order, prepare a draft set of bye-laws for the proposed inclusive society. Such draft bye-laws shall be circulated to all identified unit holders, including all villa owners and EWS/LIG allottees, based on available records and after due updating.
- v) Upon finalization of the bye-laws and completion of the constitutive process, the promoters shall submit an application for registration of the new society before the competent authority, who shall process the same in accordance with law, ensuring compliance with the provisions of the TMACS Act and the RERA framework.
- vi) The directions issued by the learned Single Judge with regard to the funds collected by the erstwhile appellant society shall be maintained in a suspense account and returned to the contributors after deducting legitimate expenses, shall continue

to operate. Upon registration of the new inclusive society, such funds, subject to proper verification and audit, shall be transferred to the newly constituted society and utilized for the common benefit of all its members in accordance with its bye-laws.

- vii) Until such time as the new society is duly registered and assumes charge, respondent Nos.1 and 2 shall continue to be responsible for the maintenance and upkeep of the common areas and essential services of the project.
- viii) The directions issues herein shall prevail notwithstanding anything contained in any agreements/arrangements between the parties to the contrary.

45. Accordingly, the W.A.No.281 of 2026 is hereby dismissed. The order dated 26.02.2026 passed by the learned Single Judge in W.P.No.18220 of 2025, insofar as it sets aside the registration of the appellant society, stands upheld.

As a sequel, miscellaneous petitions, pending if any, stand closed. No costs.

APARESH KUMAR SINGH, CJ

G.M.MOHIUDDIN,J

Date: 02.04.2026

Note:

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