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High Court Rules Cooperative Societies Formed Under RERA Can Manage Apartment Complexes

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A recent high court judgment has reinforced the authority of co-operative societies formed under the Real Estate (Regulation and Development) Act (RERA) to manage apartment complexes, granting them the legal power to represent allottees and oversee shared areas.

The case involved the Commune 1 Apartment Co–operative Society, established in August 2023. Its formation was challenged by the Residents Welfare Association, which contended that the society lacked proper authority. The dispute intensified after RERA approved the co–operative society’s takeover of the project in May 2024 and the district registrar prohibited the welfare body from collecting maintenance fees.

The court dismissed petitions from the flat owners’ group, holding that RERA, under Section 8, lawfully empowers such societies to act on behalf of allottees even before project completion. It distinguished this from older frameworks like the Karnataka Apartment Ownership Act (KAOA) and the Karnataka Societies Registration Act (KSRA), which were deemed inapplicable in this context. The judgment clarified that RERA prevails during the pre-possession phase when governance and maintenance of common areas must transition to a registered co–operative society.

In addition, the court directed the builder to execute conveyance deeds for common areas within 120 days. It also recommended that law commissions harmonize overlapping provisions in existing legislation, citing regulatory confusion and inconsistent implementation.

This ruling brings clarity to the legal standing of post-possession management structures and strengthens residents’ transition to self-governance under RERA-compliant frameworks.