

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY
[Under the Real Estate (Regulation and Development) Act, 2016]

2nd December 2024

Corum: **Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson**
 Sri LaxmiNarayanaJannu, Hon'ble Member
 Sri K. SrinivasaRao, Hon'ble Member

1. COMPLAINT NO.1269 OF 2023

Between

Sri Abhishek Singh

.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri
K.Srinivas

.... Respondent

2. COMPLAINT NO.1040 OF 2023

Between

Sri BandiNarsaiah

.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri
K.Srinivas

.... Respondent

3. COMPLAINT NO.1039 OF 2023

Between

Sri Avulu Raghunath Chowdary

.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri
K.Srinivas

.... Respondent

4. COMPLAINT NO.1042 OF 2023

Between

Sri MalaReddy Sowmya

.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri
K.Srinivas

.... Respondent

5. COMPLAINT NO.1269 OF 2023

Between

Sri GurramRamahesh

Sri VangitiShireesha

Sri ChamanthuluSrinivasalu

RamuluGoli

Chellubonia Bhimeshwara Swamy

Chellubonia Meghana

Uduthu Uma Devi

Satish Desisreddi

Thota Vinay Babu

.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri

K.Srinivas

.... Respondent

6.

COMPLAINT NO.1034 OF 2023

Between

Sri Ramulu Goli

Pulluru Harinath

Tumala Lavanya

Bandi Nageshwara Rao

.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri

K.Srinivas

.... Respondent

7.

COMPLAINT NO.1046 OF 2023

Between

Sri P Harinath

.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri

K.Srinivas

.... Respondent

8.

COMPLAINT NO.1045 OF 2023

Between

Sri Alwala Srikanth

.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri

K.Srinivas

.... Respondent

9.

COMPLAINT NO.1029 OF 2023

Between

Sri Vanteru Anil Kumar

.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri

K.Srinivas

.... Respondent

10.

COMPLAINT NO.1032 OF 2023

Between

Sri CH.S.R.K.Murthy

.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri
K.Srinivas **Respondent**

11. COMPLAINT NO.1044 OF 2023

Between
Sri S Srinivas **Complainant**

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri
K.Srinivas **Respondent**

12. COMPLAINT NO.1043 OF 2023

Between
Sri Gope Ramesh **Complainant**

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri
K.Srinivas **Respondent**

13. COMPLAINT NO. 15(A) of 2024

Between
JP Welfare Association **Complainant**

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “**Jaya Platinum Project**”, rep by Sri
K.Srinivas **Respondent**

TGRERA PROJECT REGISTRATION NO: P02200003688
COMMON INTERIM ORDER

These complaints have come up for hearing on 06.03.2024, in the presence of Counsel Niranjan Reddy , Sri Anil Kumar, president of Association of Allottees and Sri Sirigidi Srinivas Rao, Vice President of the Association for Allottees and Counsel Sri Rambika, for the Respondent, and having stood over the consideration till this day, the Authority passes the following **Interim Order**:

2. These complaints have 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”) seeking directions from this Authority to take action against the Respondent.

3. The case of the complainants in all the complaints is on similar grounds. Similarly the stand taken by the Respondent in their counters is also same. Therefore for the sake of the convenience and to avoid repetitions the pleadings from the complaint no.15A/2024 is referred below.

A. Unit and project related details:

4. The particulars of the said project are as follow:

S.no	Heads	Information
1.	Promoter- Project name	M/s Jayathri Infrastructures – “Jaya Platinum”
2.	Project area	2731.78 sq.yards
3.	Nature of the Project	Residential gated community 1 Stilt + Ground and 5 upper floors. Total of 60 apartments
4.	HMDA approval	Building technical approval no. 043524/MED/R1/HMDA/25022021, dated 20.03.2021 Approved by local body vide permit no. G1/DM/3810/BP/2021 dated 01.11.2021
5.	RERA Registration	P02200003688
6.	Situated	Survey no. 461 part of Bowrampet Village, Dundigal Municipality Mandal, Medchal – Malkajgiri District

B. Brief facts and submissions of the complainant association are as follows:

- i. The complainants herein have registered their association and within the meaning of section 2(zg) of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the RE(R&D) Act), and the Respondent is the Promoter/Developer within the meaning of Section 2(zk) of the RE(R&D) Act. The Respondent is registered as the promoter of the Project namely “Jaya Platinum” under section 5 of the RE(R&D) Act bearing Project Registration no:

P02200003688(hereinafter referred to as the “said project”). The said project is a residential project wherein the development rights of the said project are of the Respondent.

- ii. The complainants are the allottees with a common interest in the project, namely Jaya Platinum located at Survey no. 461 part of Bowrampet Village, Dundigal Municipality Mandal, Medchal – Malkajgiri District, covering 2731.78 sq. yards, Hyderabad, Telangana. This project was undertaken by M/s Jayathri Infrastructures India Pvt. Ltd. The present office address is Plot no. 1005, opposite Eminent Plaza Building, 4th floor, Jaya’s unique building, Kukatpally, Hyderabad – 500072. The parcel of land is under the ownership of M/s Jayathri Infrastructures India Private Limited, as per sale deed no. 12502 of 2022, dated 25.04.2022.
- iii. This is a project with a sanctioned plan approved by the local planning authority, HMDA, on 20.03.2021, and approved by the local planning body DundigalMunicipality, Medchal –Malkajgiri District on 01.11.2021. The project was required to be developed into residential apartments totaling 60 flats/units, as per the sanctioned plan vide 043524/MED/R1/HMDA/25022021, with a built-up area of 5865.75.
- iv. On TG RERA Project registration webpage, the registration date of the said project is mentioned as 20.03.2021 as approved by the Competent Authority, however, the RERA registration is valid up to 14.10.2024.
- v. The allottees of the said project, in their capacity, have filed these complaints before the Authority. According to the complaints, there has been no progress in the project and has been stalled since June 2022. The overall project progress, as reported by the Allottees, is approximately 50%, limited to skeleton structure, brickwork, internal and external plastering.
- vi. The Allottees assert that the Respondent has sold around 51 units out of 60 units. The Respondents have registered 49 units in the name of buyers. For the remaining 2 allottees, the Respondent has entered

into an Agreement of sale. Further submitted to this Authority that out of 60 flats, 9 flats have been mortgaged to HMDA.

- vii. Furthermore, it is stated that from July 2022 to the present date, the Respondent has not undertaken any progress in the construction of the said project. The Respondent has been providing different completion and possession dates to the allottees, ranging from June 2022- June 2023. This delay has caused significant hardships to the allottees and their families.
- viii. As per the Agreement of Sale executed by the Respondent with the allottees, clause 5 of the Agreement of sale provided by the Respondent states that the Developer shall abide by the time schedule for completing the project as disclosed at the time of registration of the project with the Authority.
- ix. However, the Respondent has defaulted on duties, obligations, and conditions applicable to a registered project, particularly in achieving the requisite progress within the stipulated time.

C. The complainants are seeking the following relief:

- i. To direct the respondent to complete the project and hand over possession of the flats/units to the allottees.
- ii. On 27.12.2023, the complainant prayed to this Authority that the Registration Certificate bearing No.P02200003688 issued in the name of and/or in favor of the Respondent for the development of the project on the said property be revoked and/or cancelled forthwith and hand over the project to the Association under section 8 of the RE(R&D) Act for the completion of the project.
- iii. Or such other and further reliefs as this Authority deems fit and proper in the facts and circumstances of the present case.

D. Brief submissions of the Respondent are as follows:

- a. The respondent submitted that he has entered into a contract agreement with M/s Naga Durga Enterprises, represented by its

Proprietor, Smt. K Naga Durga. He has given the present position of the project, almost done by the contractor, for the slabs work, brickwork, pasting work in all the floors, except plastering work and plumbing, sanitary work, electric works up to the handover stage of the flats. The contractor has completed the work up to the above stage without any delay, and the respondent has paid up to 85% of the amount to the contractor as per the agreement. The respondent has raised delay concerns with the contractor, but the contractor has been avoiding the respondent for a year.

- b. The respondent is planning to sell a few of the vacant flats in the concerned project and pay the remaining balance amount to the contractor for completing the pending work without any further delay. The respondent requested this Authority to approve the above process and give permission to him to proceed further with the above-mentioned plan.

E. Observations by the Authority:

6. This matter was heard on 01.11.2023, during the hearing, the respondent admitted to the delay in completing the project and asserted that his company is facing financial crises, hence causing a delay in project completion. In contrast, the complainants reiterated the contentions made in their complaints.

7. Furthermore, the respondent was directed to file a reply to the contentions made by the complainants. Additionally, the respondent was instructed to submit a plan of action within a period of one month for the completion of the project. As the complainant-allottees have not been registered as an association, they were directed to register the association in compliance with the proviso to Section 11(4)(e) of the Real Estate (Regulation and Development) Act, 2016. The proviso mandates that *“the association of allottees shall be formed within a period of three months from the date when the majority of allottees have booked their plot, apartment, or building, as the case may be, in the project.”* In the present case, out of a total of 60 flats, sale

deeds have been executed for 48 flats, signifying that the majority criterion has been fulfilled.

(a) Assessment of the Project by an Independent Agency

8. Meanwhile, in accordance with the provisions of Section 35 of the Real Estate (Regulation and Development) Act, 2016, the Authority directed the M/s Engineering Staff College of India (ESCI) to inspect the project under construction “Jaya Platinum”.

9. Following the Authority’s directions, M/s ESCI submitted an inspection report (ESCI/PD/TPQC/TSRERA/06/2023-24) dated December 1, 2023, on the project. According to the report, the housing project is a apartment building (1 Stilt + 5 Upper floors) spread over an area of 3267.0 Sq.Yds. in Survey Number 461/P, situated at Bowrampet village, Dundigal-GandiMaisammaMandal, under Dundigal Municipality, Medchal--Malkajgiri District. The building permission was obtained by the previous owner vide Building Technical approval no.043524/MED/R1/U6/HMDA/25022021, dated March 20, 2021, and the same is approved by the local planning bodyDundigalMunicipality vide Permit no.G1/DM/3810/BP/2021 & File no.3810, dated November 1, 2021.

10. As a result of appraisal and analysis, it is of the opinion that the present stage of construction work assessed is 66% of the total work, and there are balance works to an extent of 34% to be completed.

11. As on the date of inspection, there is no progress of work, and it is informed by the complainants that the work has been stopped since June 2022. After evaluation and analyzing, the balance work may take 12 more months from the date of commencing with uninterrupted cash flows. According to the report, the total estimated cost is Rs. 7.50 crores. However, as per the engineer certificate issued, the total estimated cost incurred till April 1, 2022, is estimated at Rs. 11,69,73,600/-.

12. December 27, 2023, in response to the submissions made by the Respondent. In their counter, the Complainants have requested that this Authority permit them to assume control of the project. Specifically, the association, of which all Complainants are members, has formally petitioned this Authority to hand over the project to the association under Section 8 of

the Real Estate (Regulation and Development) Act, 2016. At the outset, to address the modified prayer sought by the Complainants, this Authority notes the undisputed fact, acknowledged by the Respondent, that possession of the units was initially to be delivered in July 2022. The Respondent has further admitted that the project remains incomplete as of this date, resulting in an extended and substantial delay beyond the original possession date. Given this two-year delay, the Complainants' revised prayer appears to be both reasonable and warranted under the circumstances. Therefore, this Authority accepts the revised relief sought by the Complainants, and the association's request to take control of the project under section 8 of the RE(R&D) Act is taken under consideration.

(b) Assessment of Promoters Credibility

13. Considering M/s Jayathri Infrastructures Private Limited, the promoter for various projects namely, "Jaya Platinum, Jaya Gold, Jaya Diamond, Jaya Hilton, Western Galaxy, Western Weaves, and Lexico Kondapur," has failed to adhere to the provisions of the Real Estate (Regulation and Development) Act (hereinafter referred to as "the Act"), resulting in over 100 complaints lodged against them before this Authority. Allegations raised by the allottees of different projects, alongside inspection reports, indicate that M/s Jayathri Infrastructure is engaged in activities such as marketing or selling projects without proper registration under Section 3 of the Act, collecting advances exceeding 10% without executing a valid agreement of sale as mandated by Section 13, neglecting to furnish quarterly reports of the registered project in violation of Section 11, and failing to fulfill all obligations, responsibilities, and functions prescribed under the Act as per Section 11(4). Furthermore, the promoter has advertised and collected advances/deposits without possessing any legal title or rights over the projects, contravening Section 12.

14. Throughout these proceedings, M/s Jayathri Infrastructures has consistently failed to provide satisfactory explanations for the delays and financial irregularities surrounding the project. Despite assurances of

progress, inspections by the Engineering Staff College of India have revealed significant stagnation in construction since June 2022, with only 66% of the work completed and mismanagement of funds evident. This Authority has also imposed penalty of Rs. 50, 00,000/- (Rupees Fifty Lakhs) on M/s Jayathri Infrastructures for indulging in marketing and advertising in violation of the section 3 of the RE(R&D) Act, 2016.

15. Considering the aforementioned contraventions of the provisions by M/s Jayathri Infrastructure, and acknowledging that not only project "Jaya Platinum" but also other projects such as Jaya Diamond or Jaya Hilton have been stalled by the Respondent since July 2022, misleading the Complainants with various promises, it is evident that the Promoter has been afforded ample opportunities by this Authority for the completion of the project. However, the promoter has failed to even initiate the pending construction work since the filing of complaints. Additionally, considering the fact that the Promoter was incarcerated and there was no genuine attempt to complete the Project within the stipulated timeframe, and due to the inconsistency in the completion dates provided in their responses, it is doubtful that the Promoter will adhere to their commitments, thereby solidifying doubts regarding their intentions to complete the concerned project.

16. Hence, the Authority is inclined to consider the prayer made by the association of allottees, as it appears that the Respondent may lack the capability to carry out the development and complete the concerned project.

(c) Action for Revocation of RERA registration under section 7

17. Consequently, the Authority vide letter no: 1029/TSRERA/2023, Dt:11.01.2024, issued show cause notice to the Respondent u/s 7(1) and (2) of the Real Estate (Regulation and Development) Act,2016 as under Revocation of RERA registration for the project "Jaya Platinum" and to submit explanation in writing as to why the Registration should not be revoked:

“2 WHEREAS after hearing the Association, consisting of 34 members, and the respondent on 01.11.2023 and in subsequent meetings, the Telangana State Real Estate Regulatory Authority is prima facie of the view that there appears to be force in the allegations by the allottees that the Respondent M/s. Jayathri Infrastructure Pvt. L.td., has violated the provisions of the Real Estate (Regulation and Development) Act, 2016 and Rules framed thereunder by committing the following violations/omissions:

i) Failed to clarify the reasons for the inordinate delay in completing the project and the acute financial crisis faced by the Company;

i) Failed to explain the discrepancies in the estimated project cost and the funds Utilized, as per the Engineer Certificate issued

iii) Failed to submit any documentary evidence to secure funds for project completion despite previous commitments and a two-month grace period granted by the Authority;

iv) Failed to provide any substantial response to Complete the project during the hearing and failed to provide any evidence to substantiate the claim made to complete the project.

v) Misled the Authority and allottees making varying promises regarding possession and completion dates, which amounts to unfair practices.

vi) Failed to secure funds to complete the project and also failed to update quarterly reports on TS RERA Website violating Sections 11, 13 and other provisions of Real Estate (Regulation and Development) Act, 2016.

vii) Violated the provisions of the Act and Rules by accepting sums exceeding ten per cent without an Agreement of Sale and causing discrepancies in the Agreement of Sale, which affect the interest of allottees/home buyers in the project.

viii) Failed to submit the progress report of other projects until

now, even after repetitive directions by the Authority.

3. An inspection of the construction project "Jaya Platinum" was directed by the Authority, resulting in a report submitted by the Engineering Staff College of India (ESCI) on 01.12.2023. The inspection report revealed that the project is at a standstill since June, 2022, with only 66% of the total work completed. The estimated cost incurred exceeds the projected cost, indicating mismanagement of funds, seriously affecting interest of allottees/home buyers of the project.

4 M/s. Jayathri Infrastructure Pvt.Ltd., is also involved in multiple projects namely: 1. Jaya Diamond (RERA Regn.: P02200004769), 2, Jaya Gold (not RERA registered), 3. Western Galaxy (not RERA registered), 4. Jaya Hilton (not RERA registered) 5. Western Weaves (not RERA registered), 6. Kondapur Central Luxcus (not RERA registered) facing similar issues, raising concerns about the Company's capability to fulfil its obligations thereby seriously affecting the interests of the allottees/home buyers of the projects in particular and in the public interest.

5. In the light of said serious defaults, the TS RERA Authority, under Section 7 (2) of Real Estate (Regulation and Development) Act, 2016, decided to issue notice to you to bring to your notice the violations committed and to enable you to submit explanation to consider revocation of registration for the project "Jaya Platinum", bearing registration No.P02200003688."

18. Respondent has submitted a reply to the show cause notice, dated 15.02.2024, stating the following reasons as to why this Authority should not revoke RERA registration:

- *On the time of construction some few mistakes are thrown on the work place, my client has paid almost 8.50 crore rupees to existing contractor and also allotted to one of the flat in this project in his name. but he is not interested to construct the building, as my client also tried to replace another contractor but its created violence at the work place.*
- *Most of the amount utilized to acquisition of land (approx. 15.5 crore) along with advances and other expenditure at work, there is no misleading of funds. My client followed the legal terminology and maintained the accounts flow.*
- *My client requests to concerned authority to cancel the show cause notice the TS RERA under section 7 (2) of Real Estate (Regulation and Development) Act, 2016, and give the alternative method to resolve the issue of the flat owners, allottees, agreement holders.*
 - i. *My client shall raise the funds to complete the construction of the project without delay with coordinating with platinum association of the project and with your guidance and principles. If, my client interest to change the contractor, it will with Jaya platinum association consent through your valuable guidance.*
 - ii. *IN this project some few flats are unsold to third party; my client shall sell such the flats to generate the consideration to transfer the existing RERA accounts with your permission. And my client will be raised the funds through his other properties. My client will complete the project with in time period of RERA REGISTRATION ID time on or before 14th October 2024.*
 - iii. *We request to cancel the show cause notice against my client to give the alternative option to settle the issues for allottees instead of revocation of registration of the project.*

19. On 06.03.2024, the complainants were heard, whereas no one appeared on behalf of the Respondent. The complainants reiterated that

they are still requesting the Authority to hand over the project to the Association by canceling the RERA registration of the said project.

(d) Registration on Abeyance:

20. This Authority through by an Interim order vide order dated 24.04.2024 issued the following order:

1. *The Project "Jaya Platinum" with registration number P02200003688 is hereby placed in abeyance. The Respondent is directed to cease all advertising, marketing, booking, selling, or offering for sale, and inviting persons to purchase in any manner any apartment in the said project until further notice, in order to safeguard the interests of the allottees and in the public interest.*
2. *The JP Welfare Association is instructed to submit a roadmap for the completion of the project within 30 days of this Order, along with a general body resolution of the Association of Allottees, providing explicit consent to the construction work of the Project.*
3. *The Secretary, TS RERA, is directed to take appropriate steps regarding suspension of the aforementioned project's RERA registration number. The Secretary TS RERA is further directed to block access to the said project's RERA registration number, review all returns filed to date, ensure their safe custody, and freeze the designated bank account of the said project. Additionally, the operative part of this Order shall be prominently displayed on the website associated with the said project's Registration number.*
4. *The Interim order shall remain in force until the issuance of the final order by this Authority or until further modifications or directions are given by this Authority.*
5. *The Complainant and Respondent is hereby notified to comply with this Interim Order.*
6. *The Steps of consulting the appropriate government as required under section 8 of RE(R&D) of the Act, if any shall be considered/taken up in due course of time.*

21. Further, the Authority revoked the Respondent's RERA registration for the said project, as evidenced by the certificate dated April 30, 2024.

22. In the aforementioned Interim Order, the complainant association was granted the liberty to approach this Authority under the relevant provisions of the Real Estate (Regulation and Development) Act, 2016, with a proposal outlining the roadmap to ensure the completion of the said project.

23. The Complainant Association submitted a representation via a letter dated April 27, 2024, presenting the roadmap for the completion of the Jaya Platinum project. The representation stated the following:

Pooling Funds:

Funds are being collected from the 44 registered flat owners of the JP Welfare Association by the first week of June 2024, as unanimously agreed upon in the General body meeting of JP Welfare association.

Funds Collection from Mortgage Flat Owners:

The amount required for the completion of the remaining project will be collected from the mortgage flat owners only once the project ownership transfer process is completed by Telangana RERA. As advised by RERA during the final hearing, mortgage flat owners will be required to bear twice the amount compared to the registered flat owners for the completion of the project. This step is crucial to provide assurance regarding the registration of their flats. Funds can only be collected after the ownership is transferred, and P Welfare Association obtains the rights to register the flats for mortgaged owners.

Bank Account Setup:

The newly opened bank account with account number- 457205000163 and IFSC code- ICIC0004572 for the P Welfare Association is made operational and ready to receive contributions from members.

Contractor Selection:

We have solicited quotations from several companies to complete the remaining construction of Jaya's Platinum project. Among them, M/S Nagadurga Enterprises, led by Mr. K. Narayana Murthy, has submitted the lowest quote, which is below the estimate provided by the RERA ESCI inspection team. Considering the financial strain on the owners, who are already burdened by full payments and monthly EMIs, we have decided to engage M/S Nagadurga Enterprises as the contractor for the remaining construction work.

S.no	Name of the Contractor	Price per sft in Rs.	Total Quoted amount in Rs.
1.	Bagadurga Enterprises	759	5982600
2.	V R Constructions	899	70796250
3.	AAROHI CASTLES	940	74025000
4.	Architects Developers	965	75993750
5.	Akhil Constructions	1343	1057771000

/S Nagadurga Enterprises has been confirmed as the contractor for the completion of the Jaya's

Platinum project, as agreed upon by the association members.

Project Timeline:

Following discussions with the contractor, it has been estimated that the project's completion will take approximately 6-7 months. The association has agreed to make monthly payments corresponding to the quoted amount as the construction progresses.

Once the ownership transfer of Jaya's Platinum project to JP Welfare Association is completed by Telangana RERA, a detailed timeline for the completion of remaining construction work will be prepared.

Discussions with both Telangana RERA and the contractor, M/S Nagadurga Enterprises, will be initiated to finalize the timelines for project completion.

Post-Completion Obligations for Unidentified Flat Owners:

During the project progress or post completion of the project, any owner who claims rights to a particular flat must approach the JP Welfare Association with supporting documents such as Sale Deed, Agreement Sale, or Memorandum of Understanding as proof of purchase. In case of ambiguity in identifying owners, RERA's assistance will be sought to ensure accurate identification. Additionally, after the completion of the project, any owner who did not contribute funds initially will be required to pay the appropriate amount to the JP Welfare Association to occupy their respective flat. This ensures equitable participation in the project's completion and covers the financial obligations of all flat owners involved.

Compliance with Telangana RERA:

We will ensure adherence to all regulations and guidelines provided by Telangana RERA throughout the project completion process.

Regular Updates and Communication:

We will maintain regular communication with all association members to keep them informed about the progress of the project.

We ensure to provide updates to Telangana RERA as required, ensuring transparency and compliance with regulatory requirements.

Project Oversight and Management: Requesting RERA to establish a project oversight committee over the JP Welfare Association to monitor

progress of the construction work and address any issues or concerns that may arise. JP Welfare association will coordinate closely with M/S Nagadurga Enterprises to ensure efficient execution of the project according to the agreed timeline and quality standards.

Completion and Handover:

Aim to complete the remaining construction work of Jaya's Platinum project within the specified timeline. Plan for a smooth handover of completed units to the respective allottees upon project completion, ensuring compliance with all legal and regulatory requirements.

Continuous Improvement

Continuously assess and evaluate the progress of the project, identifying areas for improvement and taking corrective actions as necessary to ensure successful project completion.

Association Support and Collaboration:

Foster strong collaboration and cooperation among all association members, encouraging active participation and support for the successful completion of the Jaya's Platinum project. This roadmap outlines the key steps and actions required to proceed with the completion of the Jaya's Platinum project, considering the decisions and agreements made by the JP Welfare Association members

24. Meanwhile, the Complainant Association submitted a comprehensive proposal outlining the roadmap for the completion of the project. Additionally, the Association of Allottees provided a general body resolution, granting their explicit consent to authorize the proposed Contractor(s) to undertake the remaining development and construction work of the project.

25. Before initiating proceedings under Section 8, the Authority would like to state its observations as to why it believes the Respondent is no longer in a position to complete the project and why it is necessary to invoke Section 8 in the interest of the allottees.

(e) Grounds for Invoking Section 8:

26. The issue that needs to be considered is *Whether a case is made out for taking action under section 8 of the RE(R&D) Act?* In the context it would

be necessary to examine section 8 of the said Act which is reproduced herein below for ready reference:

Upon lapse of the registration or on revocation of the registration under this Act, the Authority, may consult the appropriate Government to take such action as it may deem fit including the carrying out of the remaining development works by competent authority or by the association of allottees or in any other manner, as may be determined by the Authority:

Provided that no direction, decision or order of the Authority under this section shall take effect until the expiry of the period of appeal provided under the provisions of this Act:

Provided further that in case of revocation of registration of a project under this Act, the association of allottees shall have the first right of refusal for carrying out of the remaining development works.

27. From the plain reading of the above section, it is clear that, the provisions of Section 8 refer to the obligations of the Authority consequent upon the lapse or revocation of registration. Under these two contingencies, the Authority is required to take necessary steps. It is conferred with wide powers under RERA. According to the second proviso to Section 8, in the case of revocation of the registration of a project, the association of allottees shall have the first right of refusal for carrying out the remaining development work. It is submitted by the Association of Allottees that there is no option but to hand over the project for completion to the Association of Allottees. This Authority believes that there have been deliberate lapses on the part of the promoter. The following are the reasons compelling this Authority to invoke Section 8:

1. The Authority notes that the Respondent has promised different dates for handing over possession to the allottees, ranging from 2022 to 2023. Despite claims of arranging funds during earlier hearings, the Respondent Company has not been able to secure funds, as per the replies and submissions made to this Authority. Despite being given

two months to submit a valid plan of action for the completion of the project, the Respondent has failed to provide any satisfactory reply.

2. During the proceedings, the Authority directed both parties to conduct meetings and resolve issues. On November 8, 2023, the respondent/promoter informed the Authority that they are unable to secure funds for the project's completion.
3. As per the RERA registration, the Promoter was obligated to complete the project by October 2024. However, construction has remained entirely stalled since December 2022, with no documented efforts by the Respondent to resume or advance the work since January 2023. Despite this, the Promoter entered into sale deeds, agreements of sale, and MOUs with allottees, committing to a handover of possession by June 2023—a deadline that has clearly not been met. It is evident that no meaningful action has been taken by the Promoter to restore or progress the project neither since the time of halt, nor since the complaints were filed by the aggrieved allottees. Furthermore, the Promoter has provided only vague assurances to the Authority, indicating intentions to resume construction but without any substantive evidence or concrete plans to demonstrate genuine commitment toward project completion. This continued inaction has caused considerable distress among the allottees, effectively depriving them of the rights to the units they were contractually allocated.
4. It is pertinent to note that all projects of M/s Jayathri Infrastructure, totaling seven, are currently under adjudication by this Authority. More than 100 complaints have been registered before this Authority regarding Respondent projects. Considering the repeated violations of the Real Estate (Regulation and Development) Act (RE(R&D) Act) by Jayathri Infrastructure across all of its projects, it is observed that M/s Jayathri has marketed and sold units/plots without obtaining RERA registration, entered into agreements without possessing proper legal title over the land or project, and mismanaged the funds collected from the allottees.

5. In the present case, it is evident that the Respondent has unequivocally defaulted in meeting the stipulated timelines for the completion of the project, commitments made both to the allottees and this Authority during the procurement of the Project RERA registration. Additionally, it is noted that the Respondent has neglected to provide adequate elucidation, offering vague justifications for the project's delayed completion and the financial hardships purportedly encountered by their company, as well as the mismanagement of funds as depicted in the Inspection Report submitted by ESCI. Furthermore, the Respondent has failed to uphold their obligation to update the Quarterly Project Report on the TGRERA website, thereby contravening Section 11 of the RE(R&D) Act. Moreover, the act of collecting advances from the allottees exceeding 10% prior to entering into a sale agreement violates Section 13 of the RE(R&D) Act
6. Taking into account the totality of the facts and circumstances, the Authority has determined that the Respondent Promoter has consistently failed to comply with the provisions of the Real Estate (Regulation and Development) Act. The Authority's evaluation of the Respondent Promoter's defaults reveals a pattern of non-performance, including the complete lack of project initiation over the past two years, failure to fulfill obligations under Agreements of Sale, Sale Deeds, or MOUs, and an inability to meet the promised project milestones. Moreover, the Respondent Promoter has provided inadequate and unsatisfactory justifications for the utilization of funds collected from allottees, further undermining trust.
7. Given these extensive defaults and the resulting hardships endured by the allottees, the Authority finds the Respondent's assertions regarding their capacity to complete the project to be without merit. Consequently, the Authority has revoked the Respondent's RERA registration for the said project and formally designate the Respondent as a defaulter under Section 7 of the Real Estate (Regulation and

Development) Act, thereby prohibiting the Respondent from engaging in further construction activities on any projects.

28. Pursuant to Section 8 of the Real Estate (Regulation and Development) Act, 2016, the Authority is vested with broad powers to ensure the completion of a project through appropriate measures. In certain instances, the Authority may direct the promoter to either complete or continue construction, permit the sale of flats, or, if necessary, assign the completion of the project to the allottees or to a third party as deemed appropriate, as established in ***Neelkamal Realtors Suburban Pvt Ltd. vs. Union of India***. In the present case, upon reviewing the aforementioned grounds, the Authority finds that the Respondent Promoter is evidently incapable of completing the project in question. The Respondent has shown a persistent pattern of non-compliance and neglect before this Authority, having similarly delayed and defaulted on approximately seven other projects. To date, the Respondent has failed to demonstrate any legitimate intent to fulfill their obligations or complete any of these stalled projects. Consequently, the Authority holds no reasonable expectation that the Respondent Promoter will take corrective action or address these ongoing violations in good faith.

29. The Authority, after consideration, observes that the Association of Allottees is comprised of 49 members out of 60 allottees, nine of flats out of 60 are mortgaged flats in HMDA, and no allottee has come forward claiming rights over these mortgaged flats. The Association of Allottees has also submitted explicit consent letters from all 48 members giving their explicit consent to the Association to undertake the remaining development and construction work of the project. Also, indicating their willingness to clear all remaining dues with respect to the flat consideration amount and providing assurance to contribute additional money required for completing the project. The Authority observes that the association has demonstrated a serious commitment to completing the project.

30. Having said so, the protection of Section 8 must now be granted to the allottees of the present project of the Respondent. The Association, having fulfilled all tasks assigned to it by the Authority, has the right to take over the project for completion.

31. In these circumstances, the Authority is of the considered view that the prayer of the complainants to permit the Association to take over the remaining construction and complete the project is reasonable and acceptable based on the various grounds adduced by them in support of their prayer. Therefore, invoking Section 8 of the Real Estate (Regulation and Development) Act, 2016, the Authority permits and directs that the "Jaya Platinum" project shall be carried out by the Association of Allottees for the remaining construction. The Respondent is restrained from proceeding further in this project concerning the remaining construction.

32. The Authority notes that the Association of Allottees has submitted several tenders from prospective contractors to complete the project. However, the Authority holds that a formal procedure needs to be carried out, as elaborated further in the given directions. Following this procedure, and with the approval of the monitoring committee, the committee and association may proceed with awarding the construction contract to the selected contractor.

33. In accordance with the mandate under Section 8 of the Real Estate (Regulation and Development) Act, this Authority has consulted the Government of Telangana through Letter No. 1269/TSRERA/2023 dated 30.04.2024, and the requisite permission has been granted via Memo No. 5791/Plg.III/2024 dated 22.11.2024, as referenced below:

“Government is hereby permitted the RERA, Telangana to invoke section 8 of the Real Estate (Regulation & Development) Act, 2016 for taking further action under section 8 of the Act to address repeated defaults by M/s Jayathri Infrastructures and facilitate the expeditious completion of the Jaya Platinum project in the interest of allottees, by taking up remaining development work which is about 34% of project Jaya Platinum by the Association of Allottees or by the competent authority”

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34. In light of these aspects, the Authority proceeds to pass the following order:

1. The Authority hereby permits the Association of Allottees u/s 8 of RE(R&D) Act to take over the project and to achieve completion of the project within a period of **8 months with a grace period of 6 months**, commencing from date of taking over of the project. This direction of the Authority shall take effect immediately after expiry of the period of appeal of 60 days provided under the Act.

2. Following conditions/Guidelines apply:

- i. A monitoring committee shall be constituted consisting of officials of the Authority dedicated to overseeing the project's progress and construction. This committee shall include an official from the MA&UD Department, a representative from RDTP Hyderabad, the Local SRO or their nominee, the Local Tahsildar or their nominee as nominated by the DRO, an officer from TG RERA, one member nominated by CREDAI, one member nominated by NAREDCO, Treasurer and President of Association of Allottees, and one member from ESCI. Additionally, a concurrent auditor shall be appointed by the Association to carry out audits on a concurrent basis. The Convener of the Monitoring Committee shall be the official from TG RERA. Updates on the committee's activities and progress shall be presented to the Authority during its monthly meetings, preferably in the 4th week of every month.
- ii. The association shall not inherit any liability incurred by the respondent-promoter in the past. Any liability incurred by the respondent/promoter in respect of the project shall remain the responsibility of the respondent /promoter only. The Association shall

take over the project free from all charges, liabilities, or encumbrances. All demands from local or state authorities against the respondent-promoter for liabilities incurred before the project's takeover shall be directed to the respondent-promoter.

iii. The General Body of the Association of Allottees shall form a "Core Management Committee" (hereinafter referred to as the CMC) within the Association to oversee the completion of the project. The committee may include individuals from the Association with relevant expertise and shall consist of the following positions:

(a)Chairman: Responsible for overseeing the entire project.

(b)Treasurer: Responsible for managing finances and budgets.

(c)Project Manager: Responsible for supervising construction and liaise with the contractor(s).

(d)Legal Advisor: Responsible for handling legal compliance and documentation.

(e)Communication Officer: Responsible for engaging with allottees regularly and communicating important or critical updates to them.

iv. The Association must issue tender notices/invitations for prospective bidders to undertake construction works for the project. After receiving tenders, contracts will be awarded to the lowest bidders with the Approval of the General Body of the allottees. The Association is advised to prepare proper tender documents in consultation with subject matter experts, divided into two parts: a technical bid and a financial bid. Only those bidders who qualify in the technical bid should have their financial bids opened. Tender notices and associated documents must be approved by the Core Management Committee (CMC) of the Association of Allottees. The tenders should be opened and evaluated by the CMC, and upon their approval, the

final recommendations should be presented to and approved by the General Body of the Association of Allottees. Once approved, the documents should also be submitted to the Authority.

- v. The Core Management Committee (CMC) of the Association of Allottees shall ensure that each contractor or agency involved in the project appoints a senior representative who will be available on a regular basis at predetermined times to provide updates on the progress of the project and address any concerns raised by the allottees. The contact details (including phone numbers and email addresses) of the appointed representatives shall be made available to the allottees and prominently displayed on a permanent notice board at the project site.

These contact details shall also be submitted to the Authority for record-keeping.

- vi. The Authority clarifies that, before awarding tenders, at least 25% of the total funds required for project completion should be collected and placed into the association's project escrow account. This ensures a smooth flow of construction once work begins. The balance sale consideration for customers with executed agreements of sale/MOUs shall be collected and managed by the association.
- vii. The Association shall open a separate escrow account for the project at a scheduled bank for the purpose of managing the project's finances. All funds received from the allottees or from any other source for the project shall be deposited into this separate account. These funds shall be utilized exclusively for the work related to the construction and development of the project and for any other

expenditure directly associated with the development and construction of the project.

- viii. The respondent shall initiate the refund for cancelled units by the initial allottees within 120 days of receiving this order or upon receipt of proceeds of resale of cancel unit whichever is earlier. The association of allottees shall utilize the sale proceeds from open sale cancelled units for project completion.
- ix. Vacant apartments shall be auctioned, with proceeds credited to the association's account for project construction.
- x. Any liability on sold units, including title transfer, shall remain the responsibility of the respondent/promoter.
- xi. The Association must maintain meticulous records of income and expenditure. Statements of all monthly receipts and payments shall be presented before the General Body of the Association of Allottees in its monthly meeting. The association's escrow bank account shall be operated through joint signatures of two nominated persons, authorized by the General Body of the Association.
- xii. All receipts from any source must be credited to the designated bank account of the association.
- xiii. All works contracts/tenders valued below Rs. 10 lakhs shall be presented to the Core Management Committee (CMC) for approval. Contracts/tenders exceeding Rs. 10 lakhs shall be presented to the General Body of the Association of Allottees for approval. General Body meetings may be held as often as necessary, but not less than once every six months

- xiv. All payments should be approved by the Governing Body of the respective association.
- xv. The association is free to deal with non-member or non-paying allottees at their discretion. Decisions in this regard should be made in the General Body meeting of the association.
- xvi. The respondents, at any stage prior to awarding contracts for construction to successful bidders, are free to arrange funds and demonstrate their capability to complete the project before the Authority's monitoring committee. The Committee will consider such requests, and an opportunity will be given to the respondent's company to deposit requisite funds in a dedicated account for project completion.
- xvii. All development and construction works shall take place in accordance with plans approved by the relevant departments of the State Government.
- xviii. The Association shall approach the concerned competent regulatory/statutory authorities for seeking/renewing such permissions/approvals for completion of balance development work and for handing over possession of units to allottees as may be required.
- xix. The Association will be bound by the terms and conditions of the existing and future agreements for sale, barring the payment of penalties and compensation to the allottees, if any, and shall be responsible for completion of the project within the stipulated time.

- xx. No Allottee of the Project who has submitted their consent to this Authority shall have the right to complain against the Association for any defaults of the promoter, M/s Jayathri Infrastructures Pvt. Ltd. The Allottees will not be allowed to withdraw from the project, and if they do, the Association will not be under any obligation to repay the money deposited by them. Furthermore, allottees will be under obligation to pay the amount consented to by each allottee for the completion of the project.
- xxi. No charge/Security or any other arrangement with any third party, other than as contemplated herein, shall be made without prior approval of this Authority.
- xxii. The Association and its office bearers shall be individually and jointly responsible for compliance of this order and all relevant provisions of RE(R&D) Act, TG RE(R&D) Rules and Regulations and the provisions of all other relevant Acts and rules including maintenance of financial discipline and proprietary.
- xxiii. The monitoring committee will suitably guide the Association and appraise the Authority about the status of the project from time to time. The Authority will monitor the progress of the Association on a monthly basis duly examining all aspects including the proceedings of General Body monthly meetings.
- xxiv. The Association, after completion of the project, shall apply to the competent authority for Occupancy certificate as provided under the local laws.

xxv. The respondent M/s Jayathri Infrastructures Pvt. Ltd is directed to pay Rs. 3,54,000/- (Three lakh fifty four thousand rupees) to the Authority as expenses incurred for conducting a forensic audit.

xxvi. It is clarified that the project has been handed over to the association free from liabilities and encumbrances. All liabilities and encumbrances upon the project before the date of this order will remain the responsibility of the respondent-company. Loans raised from financial institutions, dues payable to the state government, other liabilities towards suppliers, contractors, financiers, and the general public shall continue to be the liability of the respondent-company, and the association will have no responsibility for discharging those liabilities.

xxvii. The respondent shall immediately hand over possession of the project to the Association. Details of available inventory shall be prepared at the time of handing over, and detailed handing over and taking over notes should be exchanged by both parties. Respondents are hereby prohibited from interfering in the available assets and inventory of the project.

xxviii. A copy of this order is sent to DTCP Hyderabad and Police Authorities and District Collector, MedchalMalkajgiri to provide security to the Association for taking over the project if they feel necessary.

**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**

