



FROM STALLED TO SUCCESSFUL

THE JAYA PLATINUM PROJECT:

Completed by the Association of Allottees under Section 8 of the Real Estate (Regulation and Development) Act, 2016.

Telangana Real Estate Regulatory Authority (TG RERA)



Regulatory Intervention and Project Revival Under TG RERA

A report on *Jaya Platinum Project* and the Exercise of Sections 7 and 8 by Telangana RERA Authority

Abstract

The Real Estate (Regulation and Development) Act, 2016 (RERA) represents a structural shift in India's real estate governance architecture, embedding transparency, financial discipline, and statutory oversight within the housing market. While the Act is frequently examined in terms of project registration and consumer grievance redressal, less attention is accorded to its corrective mechanisms, particularly the revocation and revival framework under Sections 7 and 8 of the act.

This article examines the intervention of the Telangana Real Estate Regulatory Authority (TG RERA) in the stalled residential project named *Jaya Platinum*, promoted by M/s Jayathri Infrastructures India Pvt. Ltd. The case demonstrates how regulatory revocation, when coupled with structured empowerment of the Association of Allottees, can convert project distress into a legally supervised revival process. The analysis situates the case within broader regulatory theory, emphasizing the transition from promoter-centric development to stakeholder-governed completion models.

I. Introduction

The enactment of the Real Estate (Regulation and Development) Act, 2016 marked a decisive regulatory inflection in India's real estate sector. Prior to RERA, delayed possession, diversion of funds, and opacity in project disclosures produced systemic distrust between promoters and homebuyers. The statutory framework introduced by Parliament was therefore not limited to consumer protection; it was intended to recalibrate market governance by imposing enforceable compliance obligations.

Central to this recalibration are Sections 7 and 8 of the Act. These provisions empower the Regulatory Authority to revoke registration where statutory defaults are established and to subsequently facilitate completion through alternative mechanisms, including the Association of Allottees. In effect, these sections embed a legally structured exit-and-revival pathway for distressed projects.

The "Jaya Platinum Project" matter provides an instructive illustration of how this statutory design operates in practice.

II. Project Context and Emergence of Distress

Jaya Platinum Project was registered under TG RERA (Registration No. P02200003688) as a residential development comprising 60 units, constructed as Stilt + Ground + Five Upper Floors in Bowrampet Village, Dundigal Municipality, Medchal–Malkajgiri District.

| Particulars | Details |
|--------------------------|-----------------------------------------------------------------------|
| Project Name | Jaya Platinum |
| Promoter | M/s Jayathri Infrastructures India Pvt. Ltd. |
| Location | Bowrampet Village, Dundigal Municipality, Medchal–Malkajgiri District |
| Project Area | 2731.78 Sq. Yards |
| Configuration | Stilt + Ground + 5 Floors |
| Total Units | 60 Apartments |
| RERA Registration Number | P02200003688 |
| Approved by | HMDA & Dundigal Municipality |
| RERA Validity | Up to 14.10.2024 |

Despite initial regulatory registration and municipal approvals, the project experienced progressive stagnation. By June 2022, construction activity had ceased entirely. Although a significant proportion of flats had been sold and sale deeds executed, physical progress plateaued at approximately 66 percent completion.

The promoter failed to demonstrate financial closure, continuity of contractor engagement, or a viable timeline for completion. Repeated opportunities for explanation did not produce documentary substantiation sufficient to restore regulatory confidence.

At this stage, the matter transcended a mere delay dispute; it evolved into a question of systemic compliance and promoter capability under RERA’s statutory scheme.

III. Initiation of Proceedings and Evidentiary Foundation

The matter concerning Jaya Platinum Project came before the Telangana Real Estate Regulatory Authority pursuant to complaints filed by multiple allottees of the project. A group of affected homebuyers, collectively representing a substantial portion of the 60-unit residential development, approached the Authority alleging prolonged delay in completion, cessation of construction activity, and failure of the promoter to provide a credible timeline for delivery.



The complainants contended that despite having paid significant portions of the sale consideration and, in many instances, having registered sale deeds, the project had remained physically stagnant since mid-2022. They further alleged non-disclosure of financial status, absence of transparency in utilization of funds, and lack of communication regarding completion schedules. These complaints were registered under the provisions of the Real Estate (Regulation and Development) Act, 2016 and taken up for adjudicatory consideration by the Authority.

Upon issuance of notices and during the course of hearings, it became evident that the dispute extended beyond individual grievances and raised systemic questions concerning promoter capability, financial viability, and regulatory compliance. The Authority therefore expanded the scope of examination from complaint-specific relief to a broader inquiry into the status of the project itself.

A distinguishing feature of the Authority's approach at this stage was the invocation of Section 35 of the Act, which empowers the Authority to call for information, conduct inquiries, and obtain expert assistance. Recognizing that an objective technical assessment was necessary to determine the actual stage of construction and financial alignment, TG RERA directed an independent inspection through the Engineering Staff College of India (ESCI).

The inspection report dated 01.12.2023 confirmed that:

- Physical completion was limited to approximately 66 percent.
- Construction activity had been halted.
- Approximately twelve additional months would be required for completion, contingent upon uninterrupted funding.

This technical assessment provided an objective evidentiary basis for subsequent regulatory action. It insulated the Authority's decision-making from arbitrariness and anchored its conclusions in professional evaluation rather than contested assertions.

IV. Revocation Under Section 7: Legal Analysis

The cumulative findings of the technical inspection, coupled with the promoter's inability to demonstrate financial viability or a time-bound completion strategy, established a prima facie case of sustained statutory non-compliance. In these circumstances, the matter progressed from supervisory inquiry to consideration of formal regulatory action under the enforcement provisions of the Act.

Section 7 authorizes the Regulatory Authority to revoke project registration upon the promoter has violated statutory provisions, defaulted in obligations, engaged in unfair practices, or failed to comply with conditions of registration.

In the present case, TG RERA identified multiple statutory breaches, including:

- Failure to adhere to declared completion timelines.
- Non-compliance with Sections 11 and 18 concerning promoter obligations and liability for delay.
- Absence of demonstrable financial capability to complete the project.
- Persistent inaction despite regulatory notices.

After issuance of a detailed Show Cause Notice dated 11.01.2024 under Section 7 of the Real Estate (Regulation and Development) Act, 2016, and upon affording the promoter full opportunity to submit explanations and be heard, the Authority, by order dated 30 April 2024, revoked the registration of the Jaya Platinum Project.

The Authority categorically declared the promoter as a *defaulter*, having recorded findings of sustained non-compliance, financial incapacity, failure to complete development within the declared timeline, and inability to present a credible revival plan. Recognizing the wider implications of such default, particularly in view of the promoter's involvement in multiple projects, the Authority further directed that the revocation and declaration of default be communicated to concerned authorities across all the States and to other Real Estate Regulatory Authorities, so as to ensure regulatory caution and prevent continuation of non-compliant practices in other jurisdictions.

From a jurisprudential perspective, the revocation order affirms a foundational principle of regulatory governance: registration is conditional and contingent upon sustained compliance. It is neither perpetual nor immune from review.

V. Section 8 as a Structured Revival Mechanism

Revocation under Section 7 does not conclude regulatory responsibility. Section 8 mandates that, upon revocation, the Authority may take necessary steps to facilitate completion of the remaining development works, including carrying out the project by the Association of Allottees or by competent authority. The second proviso to Section 8 confers upon the Association of Allottees a preferential right to undertake completion.

In the Jaya Platinum Project matter, the flat purchasers consolidated themselves into the *JP Welfare Association* through a General Body process reflecting majority consent. The formation process involved formal enrolment of members, adoption of resolutions authorizing representation before the Authority, and constitution of an executive committee to coordinate technical and financial planning.



Upon formalization, the Association approached the Authority with a structured revival proposal. The proposal contained a defined financial architecture, including the opening of a dedicated project completion escrow account to ensure ring-fenced fund utilization. It also proposed technical evaluation, and cost assessment. Further, the Association submitted an indicative timeline for completion, supported by an assessment of pending civil, finishing, utility, and compliance works.

The Authority evaluated the proposal through the lens of statutory prudence. It examined whether the proposed funding model was realistic, whether majority consent was demonstrably secured, whether existing encumbrances could impede completion, and whether the proposed contractors possessed adequate technical capacity. Only upon satisfaction that the Association's roadmap was credible and aligned with the objectives of the Act did the Authority permit the association-led completion mechanism to proceed.

Thus, the progression from revocation to revival in this case illustrates the structural design of Section 8. It transforms regulatory enforcement into stakeholder empowerment, ensuring that distressed projects are not abandoned but redirected toward lawful completion under institutional supervision.

VI. Governance Transformation: From Promoter Control to Collective Stewardship

The revival of the Jaya Platinum Project represents a structured transition from promoter-centric control to a statutorily supervised, association-led completion framework under Sections 7 and 8 of the Real Estate (Regulation and Development) Act, 2016. This transformation was not incidental but legally sequenced and institutionally designed by the Telangana Real Estate Regulatory Authority.

1. Regulatory Vacuum Following Revocation

Upon revocation of project registration under Section 7, the promoter's authority to continue development stood extinguished. However, revocation did not terminate the project itself. It created a regulatory vacuum that required structured reallocation of execution responsibility to prevent asset deterioration and further prejudice to allottees.

The Authority therefore proceeded under Section 8, which mandates facilitation of remaining development works upon revocation.

2. Institutionalization of the Association of Allottees

A precondition for Section 8 implementation was the presence of a legally constituted and representative body of purchasers. During proceedings, the allottees organized themselves into the JP Welfare Association, which came on record with documented resolutions and overwhelming consent for collective completion.

The Authority recorded that:

- A substantial majority of units were already registered in favour of purchasers;
- More than 90% of allottees supported association-led completion;
- The Association undertook to act in compliance with statutory and regulatory requirements.

This institutionalization transformed dispersed homebuyers into a legally cognizable executing body capable of assuming project stewardship.

3. Invocation of Section 8 and Government Consultation

Section 8 requires consultation with the appropriate Government before transferring completion responsibility.

In compliance with statutory mandate:

- The Authority addressed Letter No. 1269/TSRERA/2023 dated 30.04.2024 to the Government of Telangana;
- Approval was granted vide Memo No. 5791/Plg.III/2024 dated 22.11.2024;
- Section 8 was formally invoked through interim order dated 02.12.2024.

This procedural compliance is significant. It demonstrates that revival under Section 8 is not discretionary improvisation but a structured statutory mechanism requiring inter-institutional coordination.

4. Conditional Transfer of Execution Powers

The Association was not granted unfettered autonomy. The Authority imposed a supervisory framework requiring:

- Transparent contractor engagement;
- Maintenance of financial discipline;
- Operation through designated escrow banking mechanisms;
- Strict adherence to sanctioned plans;
- Compliance with all applicable building and municipal laws;
- Continued regulatory oversight by TG RERA.

Through these conditions, the Association effectively assumed the limited role of promoter for the purpose of completion, while remaining under regulatory surveillance.

5. Completion and Occupancy Certification

Under this supervised model:

- The balance 34% of construction was completed;
- All structural, finishing, utility, and compliance works were executed;

- The competent planning authority issued an Occupancy Certificate dated 05.01.2026.

The grant of Occupancy Certificate marked the functional success of the revived governance structure.

6. Separation of Execution from Liability

A defining feature of the model was the preservation of promoter liability notwithstanding transfer of completion responsibility. The Final Order clarified that:

- Statutory obligations under Sections 11 and 17 remain enforceable against the original promoter;
- Mortgage-related encumbrances remain the promoter's responsibility;
- The promoter is mandated to execute conveyance deeds for mortgaged units within 30 days of release, as per general body resolution of Association of Allottees.
- Non-compliance would invite action under Section 63 and other enabling provisions.

Thus, while execution authority shifted to the Association, legal accountability remained attached to the defaulting promoter. This separation ensured that revival did not become a mechanism for liability dilution.

7. Structural Outcome

The revived model demonstrates a calibrated governance transformation consisting of:

- Revocation under Section 7 and declared the promoter as defaulter
- Government consultation;
- Invocation of Section 8;
- Recognition of a majority-backed Association;
- Conditional transfer of execution;
- Continuous regulatory supervision;
- Successful issuance of Occupancy Certificate;
- Preservation of promoter liability.

The transition was therefore not merely operational but institutional, replacing unilateral promoter control with collectively administered, regulator-supervised completion.

VII. Institutional Significance and Policy Implications

The significance of this case extends beyond the immediate project. It underscores four institutional lessons:

- First, technical audits enhance regulatory legitimacy and defensibility.
- Second, revocation is not inherently punitive; it is a corrective gateway.
- Third, Associations of Allottees, when empowered within statutory parameters, can serve as effective completion entities.
- Fourth, regulatory credibility depends upon decisive action combined with procedural fairness.

VIII. Conclusion

The revival of Jaya Platinum Project under the supervision of the Telangana Real Estate Regulatory Authority illustrates the operational strength of Sections 7 and 8 of the Real Estate (Regulation and Development) Act, 2016.

Through evidence-based inquiry, lawful revocation, and structured empowerment of the Association of Allottees, the Authority transformed a stalled residential project into a regulated pathway toward completion.

The case reaffirms that statutory enforcement, when exercised with procedural rigor and institutional balance, can restore confidence in distressed real estate developments.

Photographs Showing the Before and After Status of the Jaya Platinum Project:



Before

After

Post-Completion Photographs of the Jaya Platinum Project Completed by the Association of Allottees:

