

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

9th April 2025

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

COMPLAINT NO.617 OF 2023

Between
Smt Sree Vatsala Complainant

AND

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

COMPLAINT NO.864 OF 2023

Between
Veecha Rama Rao Complainant

AND

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

COMPLAINT NO.819 OF 2023

Between
J Veenu Prasad Complainant

AND

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

COMPLAINT NO.818 OF 2023

Between
KandimallaNaveena Complainant

AND

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

COMPLAINT NO.691 OF 2023

Between
EggadaSurpiya Complainant

AND

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

COMPLAINT NO.692 OF 2023

Between

T Venkata Prasad Complainant

AND

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

COMPLAINT NO.698 OF 2023

Between

N Bhaskara Satya Prasad Complainant

AND

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

COMPLAINT NO.699 OF 2023

Between

Bhaskar P Complainant

AND

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

COMPLAINT NO.697 OF 2023

Between

Methuku Shekar Complainant

AND

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

COMPLAINT NO.661 OF 2023

Between

Manikyam Alla Complainant

AND

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

COMPLAINT NO.968 OF 2023

Between

Pethala Raju Complainant

AND

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

COMPLAINT NO.693 OF 2023

Between

G. Hemanthu Complainant

AND

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

COMPLAINT NO.696 OF 2023

Between

J Naveen Prasad Complainant

AND

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

COMPLAINT NO.8972 OF 2023

Between

K Raja Rajeshwari Complainant

AND

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

COMPLAINT NO.702 OF 2023

Between

KOti Reddy Complainant

AND

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

COMPLAINT NO.701 OF 2023

Between

RamuChilakamarri Complainant

AND

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

COMPLAINT NO.685 OF 2023

Between

K. Veena Complainant

AND

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

COMPLAINT NO.971 OF 2023

Between

Seema Complainant

AND

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

COMPLAINT NO.703 OF 2023

Between

Nagababu Doredla Complainant

AND

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

COMPLAINT NO.700 OF 2023

Between

Rama Reddy K Complainant

AND

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

COMPLAINT NO.846 OF 2023

Between

SulegamaVenkateshwar Complainant

AND

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

COMPLAINT NO.684 OF 2023

Between

Sujana Kaluva Complainant

AND

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

COMPLAINT NO. OF 2023

Between

K Munichandra Complainant

AND

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

COMPLAINT NO.942 OF 2023

Between

Narayanavarapu Venkatesh Complainant

AND

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

COMPLAINT NO.651 OF 2023

Between

N Lakshmi Complainant

AND

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

COMPLAINT NO.1048 OF 2023

Between

Mirza Quasi Rabbana Begum Complainant

AND

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

COMPLAINT NO.1047 OF 2023

Between

G. Prakash Rao Complainant

AND

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

COMPLAINT NO.708 OF 2023

Between

Gante Bhaskar Complainant

AND

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

COMPLAINT NO.705 OF 2023

Between

Yanamala Venkata Ramana Complainant

AND

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

COMPLAINT NO.751 OF 2023

Between

Narsimha Rao Alladi Complainant

AND

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

COMPLAINT NO.709 OF 2023

Between

Pola Shirisha Complainant

AND

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

COMPLAINT NO.654 OF 2023

Between

Dasari Lakshmi Sailaja Complainant

AND

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

COMPLAINT NO.711 OF 2023

Between

Mahankali Kiran Kumar Complainant

AND

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

COMPLAINT NO.704 OF 2023

Between

Ravu Rambabu Complainant

AND

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

COMPLAINT NO.726 OF 2023

Between

Lavu Sarala Rani

.... Complainant

AND

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

.... Respondent

COMPLAINT NO.707 OF 2023

Between

G Narmada

.... Complainant

AND

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

.... Respondent

COMPLAINT NO.706 OF 2023

Between

Rama Rao Mundla

.... Complainant

AND

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

.... Respondent

COMPLAINT NO.710 OF 2023

Between

Karikelli Ravali

.... Complainant

AND

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

.... Respondent

COMPLAINT NO.810 OF 2023

Between

MPVS Naidu

.... Complainant

AND

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

.... Respondent

COMPLAINT NO.809 OF 2023

Between

K Prathyusha

.... Complainant

AND

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

COMPLAINT NO.1020 OF 2023

Between

T Gayathri Complainant

AND

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

COMPLAINT NO.1021 OF 2023

Between

Mohd. Nisar Complainant

AND

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

COMPLAINT NO.1105 OF 2023

Between

K Satyanaryana Reddy Complainant

AND

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

COMPLAINT NO. 199 OF 2024

M/s Jaya Diamonds Welfare Association, rep by President Mr. Sudheer Reddy
.... Complainant

AND

M/s Jayathri Infrastructures India Pvt Ltd.– “Jaya Diamond Project”,
Sri Kakarla Srinivas Respondent

TGRERA PROJECT REGISTRATION NO: P02200004769

COMMON INTERIM ORDER

This Interim order shall be applicable to all the above captioned complaints which are filed under 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 above-captioned complaints rests on similar grounds. Likewise, the stand taken by the Respondent in its counter-affidavits is identical. Subsequently, all the complainants have formed an association under the name “Jaya Diamonds Welfare Association” and have jointly filed a fresh complaint vide Complaint No. 199 of 2024. Therefore, for the sake of convenience and to avoid repetition, the pleadings in Complaint No. 199 of 2024 filed by the said Association are referred to and relied upon herein.

A. Unit and project related details:

4. The particulars of the purchased villa are as follow:

S.no	Heads	Information
1.	Promoter- Project name	M/s Jayathri Infrastructures – “Jaya Diamond
2.	Project area	3267 sq yards or 2731.01 sqmtrs.
3.	Nature of the Project	Residential gated community 1 Stilt + Ground and 5 upper floors. Total of 83 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	P02200004769
6.	Situated	Bachupally Village and Mandal, Medchal – Malakajiri District, Telangana

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

5. It is submitted that the Complainant Association, Jaya Diamonds Welfare Association, is a registered entity under the Telangana Societies Registration Act, 2001 vide Registration Number: 23 of 2024 on 09.01.2024, with a total of 63 members. The members of the Complainant Association are allottees having sale holders/agreement holders/MOU holders in the project named "JAYAS The Copy of Certificate of Registration of Jaya Diamonds Welfare association.

6. It is submitted that Respondent No. 1 is a company based in Hyderabad, India incorporated under the then Companies Act, 1956. The Respondent No. 1 Company is inter alia

engaged in the business of developing both residential and commercial projects. It is submitted that Respondent No. 2 is the Managing Director of Respondent No. 1 Company and is responsible for overseeing and managing the development of the residential and commercial projects undertaken by Respondent No. 1, including the project "JAYA'S DIAMOND."

7. It is submitted that Respondents herein approached the members of the Complainant Association stating that he is a reputed builder and is developing a gated community "Jayas Diamond", after having obtained permission from the Hyderabad Metropolitan Development Authority (HMDA) vide PERMIT No. HMDA/2021, consisting of Cellar + Ground + 5 upper floors 16.03.2022 in Sy. No. 143/P, situated at Bachupally (v) Nizampet Municipal Corporation, covering an extent of 3166.80 Sq. Mtrs or 3787.43 sq. yds for a total number of 83 flats, clubhouses and other services (Hereinafter to be referred to as "the Project"). The Respondents had obtained permission from this Hon'ble Authority for a project vide Permission Registration No. P02200004769.
8. It is submitted that the members of the Complainant Association trusting the Respondent's representations entered into various agreements i.e., Agreement of Sale, Memorandum of Understanding and Sale Deeds over various flats in the project "JAYA DIAMOND", which are residential apartments construction of which was undertaken by the Respondent No.1 with an agreed-upon timeline for completion. It is submitted that Respondent. No 1 is a developer that entered into Sale Deeds / Agreement of Sales / Memorandum of Understandings agreements with several members of the Complainant Association for the project named "JAYA DIAMOND"
9. It is submitted that the Respondents by marketing the project and representing to the prospective homebuyers that they will complete the project in time, lured the members of the Complainant Association into purchasing the flats of the Project by paying the sale consideration. It is further submitted that Respondent has barely made any progress in the construction of the Project ever since February 2022, when the Project was supposed to be completed and the respective flats in the Project were supposed to be handed over to the members of the Complainant Association by December 2022. It is further submitted that the Respondents, their staff and connected workers have all been very irresponsible and lackadaisical ever since then.
10. It is submitted that on several requests of the members of the Complainant Association and after numerous reminders for the updates, the Respondent has failed to construct the project despite the Managing Director, Srinivas Kakarla has wilfully absconded from his duties and

misappropriated the consideration amounts received from the sale or agreements relating to 80% of the flats in the project. Furthermore, he has not provided any compensation to flat owners as mentioned in the MOU/AOS/Sale Deeds. Despite multiple attempts to reach Mr Srinivas Kakarla, he remains untraceable. Later, it is discovered that other flat purchasers are facing similar issues. Despite multiple attempts to reach Mr Srinivas Kakarla, he remains untraceable.

11. It is respectfully submitted that all the complaints listed, namely, Complaint Nos. 639/2023, 661/2023, 685/2023, 684/2023, 703/2023, 702/2023, 698/2023, 698/2023, 699/2023, 700/2023, 696/2023, 697/2023, 693/2023, 819/2023, 818/2023, 691/2023, 692/2023, 810/2023, 809/2023, 894/2023, 864/2023, 971/2023, 972/2023, and 986/2023, sought similar reliefs and involved issues of a similar nature. Consequently, the Telangana State Real Estate Regulatory Authority, Hyderabad, issued a common interim order dated 13.09.2023 directing the Respondent, M/s. Jayathri Infrastructures, represented by its Managing Director, Mr. Kakarle Srinivas, to cease the sale or registration of the 24 flats specified in the Memoranda of Understanding (MOUs) with the respective allottees to any third party until further notice or the issuance of the final order by this Authority. The Respondent was further directed to promptly proceed with registering the sale agreements, already executed through MOUs dated between 28.07.2023 and 02.09.2023, in favor of the allottees for the aforementioned flats, in accordance with the terms and conditions outlined in the MOUs. This interim order shall remain effective until the issuance of the final order or until further modifications or directions are issued by this Authority. The Respondent is hereby notified that non-compliance with this order may result in further legal actions and penalties under the provisions of the RERA Act.
12. In order to secure the huge investments made by the members of the Complainant Association, all the allottees have together formed the present Association, namely, "Jaya Diamond Welfare Association" with Society Registration Number: 23 of 2024 dated 09.01.2024 and after due deliberations decided that JayaDiamond Welfare Association shall take over the project for completion of the project in the interest of all the allottees. The Copies of the Consent letters of the Allotees to RERA via Association for taking over the Project by association.
13. In furtherance of the said decision to take over the project, members of the Complainant Association gave their consent for collectively taking over the Jaya Diamond Project by the Complainant Association. The members of the Complainant Association also agree that handing over the Project to Jaya Diamond Welfare Association is in their best interests and

they will not object to the decisions/resolutions passed/works undertaken by the Association in furtherance of completion of the development of the project. Also, the members undertook that any balance sale consideration that is due and payable by them shall be deposited into the bank account of the Complainant Association for the purpose of completing the project.

14. It is submitted that the Complainant Association is cognisant of the fact that the project is incomplete and would require an infusion of considerable capital for its completion. The Complainant Association, in its efforts to safeguard the interests of the allottees, has obtained a detailed business plan from 'Suresh Reddy Infra,' a contractor with recognized expertise in the field of construction. This plan outlines the strategies for raising funds and effectively utilizing them for the completion of the project. The plan specifies the quality of materials to be used, the services to be provided, the price per unit, and the timelines for each phase of the project.
15. It is submitted that the Contractor has committed to adhering to high standards of construction, ensuring durability, safety, and compliance with all regulatory requirements. The price breakdown per unit has been clearly laid out, reflecting transparency in financial dealings. Furthermore, the timeline for the deliverables is reasonable, reflecting the Contractor's experience in managing similar projects within set deadlines.
16. It is submitted that the Complainant Association, having carefully reviewed this plan, is confident that with the cooperative efforts between the Contractor and the Association, the project can be completed efficiently. The oversight of the Association will ensure that the work is executed as per the agreed terms, which will not only expedite the construction but also indemnify the losses and damages previously suffered by the allottees due to delays and mismanagement. The Association submits this plan to the relevant authorities as part of its complaint, urging that this arrangement be recognized and facilitated to ensure timely relief to the affected allottees.
17. At the meeting of the members of Jaya Diamond Welfare Association held on 19th July 2024, it was unanimously resolved to open an account in the name of "JAYA DIAMOND WELFARE ASSOCIATION" with HDFC Bank, Hyderabad. HDFC Bank is authorized to honor all cheques, promissory notes, and other instruments drawn or accepted on behalf of the Society, regardless of whether the account is in credit or overdrawn. It is further resolved that any two of the following officers-Sudheer Reddy Kandimalla (President), Narasimha Rao Alladi (General Secretary), Naga Babu Doredla (Treasurer), or SreeVatsalaMachanuru (Executive Member)-are authorized to sign jointly on behalf of the

Society for any banking transactions, thereby binding the Society in all dealings with HDFC Bank.

18. It is submitted that the aggrieved herein are innocent homebuyers who have made payments to the Respondents out of their lifelong earnings for their dream house. It is extremely unfair on the part of the Respondents to play fraud on innocent homebuyers and be stripped of their dream house.
19. It is submitted that the Associates/Members have filed several criminal complaints against Respondent No.1 and Respondent No. 2 and Respondent No. 2 is currently absconding from the police authorities. This lack of engagement and effort to advance the project has led to a noticeable lack of interest and lost confidence on Respondent No.2.
20. It is further submitted that the homebuyers/allottees of the 'Jaya Platinum, project are not the only ones who have approached this Hon'ble Authority complaining about violations by Respondents but there are allottees of other projects which are undertaken by the Respondents who have also approached this Hon'ble Authority alleging violations of the provisions of the RERA Act, 2016. The Respondents are in blatant violation of the laws and regulations for each and every project of theirs, which are seven (7) in total. Therefore, it is submitted that the violations by the Respondents and their irresponsible behaviour and casual attitude towards these projects, when the hard- earned money of the homebuyers is in question, are completely unacceptable and cannot be condoned. Considering the blatant violation of law by the Respondents in not just one, but all of their projects, is extremely worrisome and warrants cancellation/revocation of the Respondent's registration.
21. It is submitted that there are several violations committed by the Respondent which this Hon'ble Authority already made prima facie finding on Respondent's blatant violation of law and indulging in unfair practices. It is submitted that Respondent No.2 has demonstrated a lack of interest in completing the project. It is submitted that the Complainant Association herein through the present complaint prays that this Hon'ble Authority may be pleased to undertake necessary steps to complete the project and the Complainant Association is ready to fully cooperate in ensuring that the project is completed.
22. It is further submitted that these funds may be handed over to the Complainant Association along with the responsibility to complete the project. The Complainant Association is ready and willing to take the necessary and appropriate steps to complete the project by appointing credible and competent entities/ persons to complete the project. If even after the auction of the said 12 vacant flats do not realise the requisite funds required for the

completion of the project, the Complainant Association is willing to infuse and invest extra funds to complete the project.

23. Therefore, the Complainant Association herein is filing the present application under Section 8 of The Real Estate (Regulation and Development) Act, 2016 to take over the project through the Association and to appoint a competent builder who will complete the project.

C. Relief(s) sought:

24.. In view of the above-mentioned facts and circumstances, it is humbly prayed that this Hon'ble Court may be pleased to

- a. To conduct an investigation into the project.
- b. To formally hand over the management and control of the project JAYA'S DIAMOND to the Complainant Association herein, thereby permitting/ authorizing the Complainant Association to appoint a competent/qualified builder to complete the project.
- c. To direct the Respondent to refund the amount to the allottees who have sought cancellation of the unit.
- d. To permit the Complainant Association to enter into a formal agreement/ MOU/Development Agreement with the Appointed builder.
- e. To direct conduct of a forensic and structural audit of the Project to ascertain the extent of fraud committed by Respondents No. 1 and 2.
- f. To direct the respondent to furnish all project-related records before the Hon'ble Authority.
- g. Order Respondent No.1 and 2 to provide compensation to the Associates for the delay in the project and any consequential financial losses suffered as a result.
- h. Release the amounts in the bank account maintained by the Builder in compliance with Section 4(1)(D) of the RERA Act.

D. Interim Order:

25. Direct Respondent No. 1 and 2 to immediately stop indulging in sale of the unsold inventory of the Project and direct them to hand over all records to the association with immediate effect.

E Hearing conducted:

26. The hearings in the captioned complaints were conducted on various dates, during which all parties were duly heard. The individual complainants, along with the Association of Allottees comprising more than 60 members collectively submitted that the project titled "*Jaya Diamond*" has suffered inordinate delays, with negligible physical progress on the ground.

They sought intervention of the Authority under Section 8 of the Real Estate (Regulation and Development) Act, 2016, to revoke the project's registration and initiate steps for its completion through an alternative mechanism.

27. The Respondent Promoter admitted to the delays and attributed them to several factors, including financial distress, inability to secure further funding, legal constraints, and the withdrawal of the original contractor. The Respondent claimed to have incurred an expenditure exceeding Rs. 1.5 crore and requested additional time either to refund the amounts or to complete the project. It was further submitted that criminal proceedings pending against the Respondent had hampered the possibility of onboarding new developers. As such, the Respondent expressed an intention to undertake the construction personally and assured the Authority that the work would be completed without misuse of permissions or orders issued by local authorities. A plea was made for an opportunity to be granted to complete the project.

28. Dissatisfied with the vague and unsupported responses submitted by the Respondent, and in the absence of any substantive documentary proof on record, the Authority directed the Respondent to submit a detailed plan of action within one month. In compliance, the Respondent submitted a letter dated 08.09.2023 outlining a proposed construction schedule and anticipated funding sources. He assured the Authority that the project would be completed and possession delivered to the allottees by 30th December 2024. Additionally, he proposed to induct a new partner for construction and stated that funds would be mobilized from a separate real estate project located in Nizampet, the units of which were reportedly sold for approximately Rs. 15 crore. The Respondent claimed that the proceeds from the Nizampet project would be utilized for completion of *Jaya Diamond*.

29. On the next date of hearing, i.e., 13.09.2023, the complainants filed a memo providing details of the units in the project, including their status as sold/unsold and registered/unregistered. Out of a total of 83 flats, 34 had been registered. The Respondent had executed Memorandums of Understanding (MOUs) and Agreements of Sale for the remaining units. Accordingly, the Authority, vide interim order 639 of 2023 & 23 batch Ors. dated 13.09.2023, restrained the Respondent from alienating any flats covered under executed MOUs until further orders or a final adjudication. The Respondent was also directed to initiate the registration of agreements executed via MOUs

30. In the meantime, in exercise of powers under Section 35 of the Real Estate (Regulation and Development) Act, 2016, the Authority directed the Engineering Staff College of India (ESCI) to conduct a technical inspection of the *Jaya Diamond* project.

31. On 01.11.2023, during a scheduled hearing, the complainants informed the Authority that a new entity, M/s Pranava Realtors India LLP, was marketing a project titled "*Pranava Diamond*," which was initially branded as "*Jaya Diamond*" by M/s Jayatthri Infrastructures. It was further alleged that this marketing was being carried out under the same RERA registration number (P02200004769) issued for the original *Jaya Diamond* project. Considering the gravity of the allegations, the Authority directed the Respondent to immediately cease all marketing, sales, or alienation activities in relation to the project.

32. Pursuant to the Authority's directions, ESCI submitted its inspection report bearing Ref. No. ESCI/PD/TPQC/TSRERA/05/2023-24. The report indicated that the project comprised a stilt plus five upper floors with 12 flats on each floor, totaling 83 units. As per the inspection findings, only 6% of the total construction work had been completed as of the date of inspection, with 94% of the work pending. It was further reported that the Respondent had collected a sum of Rs. 23,26,85,905/- from various homebuyers. As per the Chartered Accountant's certificate on record, the estimated cost to complete the project stands at Rs. 11,82,81,500/-, while the total amount expended so far was Rs. 6,22,48,761/-.

33. Despite further assurances from the Respondent regarding plans to form new partnerships for project completion, no documentary evidence substantiating the involvement or willingness of any third party was placed on record. Upon careful consideration of the submissions, the Authority found no credible indication that the Respondent was in a position to bring in a competent partner who would assume responsibility and accountability for completing the project. As such, the Respondent was once again directed to submit a final, definitive plan of action.

34. On 08.11.2023, the Respondent submitted additional details to the Authority, clarifying the utilization of funds collected from allottees. He submitted that a significant portion of the amount was expended towards land acquisition, while the remaining funds were used for payments to contractors, marketing activities, advance payments to debtors, lease agreements, and other project-related expenses. He reiterated his inability to bring in a new developer due to alleged disruptions caused by certain allottees at the project site, which had deterred potential partners. Along with this submission, the Respondent also furnished the total project cost and a list of allottees associated with the *Jaya Diamond* project.

35. The Respondent/promoter has, through formal representation, sought permission from this Authority to initiate the refund process. He has also prayed for additional time to process the refunds and to continue with the construction activities. With regard to the allegations concerning the project "*Pranava Diamond*" being promoted by another entity, the Respondent

has denied any formal agreement or association with the said entity and asserted that the ongoing marketing under the original project's RERA registration is being done without his consent. The Respondent further sought a grace period of three months from the date of initiating refunds to the cancellation applicants for completing the remaining construction, while undertaking to comply with all regulatory norms and directions of this Authority.

36. Meanwhile, a fresh complaint bearing No. 199 of 2024 has been instituted before this Authority by the *Jaya Diamonds Welfare Association*, a registered body comprising nearly 60 allottees of the project. The Association has categorically stated that its members are no longer interested in seeking refunds or cancelling their units. Instead, they have unanimously resolved to pursue possession of their respective flats by ensuring completion of the project. The Association submitted that, since the inception of these proceedings, the Respondent has repeatedly made false promises concerning refund or completion, none of which have materialized. As such, they have expressed a complete lack of faith in the Respondent/promoter's capacity or willingness to fulfill contractual obligations. In light of the above, the Association has prayed for revocation of the project's registration under Section 7 of the Real Estate (Regulation and Development) Act, 2016, and for invocation of Section 8 of the said Act, so as to enable transfer of the project's control to the Association for further development.

37. Considering the prayer of the Association, this Authority directed them to submit a comprehensive roadmap and execution plan indicating how the remaining development of the project shall be undertaken, including funding mechanisms, timelines, and proposed technical and administrative arrangements. The Association has further sought interim relief by way of restraining the Respondent/promoter from selling or otherwise alienating any unsold units in the project. Additionally, they have requested this Authority to direct the Respondent to immediately hand over all project-related documents, approvals, plans, and records to the Association to facilitate the project's takeover and smooth execution.

E. Observation made by the Authority:

1. Whether section 7 of RE(R&D) Act shall be invoked against promoter?

38. This Authority, upon a detailed perusal of the records, observes that the Respondent Promoter, as per the Agreement for Sale, Memorandum of Understanding (MoUs), and Sale Deeds executed with the complainants, had promised to hand over possession of the respective units by June 2023. However, it is a matter of record and undisputed fact that the Respondent has failed to complete even 10% of the total project construction as of date. Despite claiming, during multiple earlier hearings before this Authority, that efforts were being made to arrange

funds from various sources including financiers and co-developers, the Respondent has neither secured any funding nor demonstrated tangible progress or commitment towards project execution. The submissions and replies made to this Authority have remained vague and lack substance or documentary evidence supporting their financial capability. Notwithstanding several opportunities and time granted by this Authority, the Respondent has failed to take concrete and verifiable steps for the continuation and completion of the project.

39. Furthermore, the Authority takes note of the fact that even in cases where allottees opted for cancellation of their units due to long-standing delays, the Respondent has failed to refund the amounts due to them, thereby aggravating the hardship and financial strain on the affected allottees. This Authority made several attempts during the proceedings to mediate and facilitate meetings between the parties to arrive at a workable solution. However, during the hearing held on 08.11.2023, the Respondent unequivocally submitted before this Authority that they are unable to secure a new promoter or financial partner for the completion of the project and instead expressed their intent to refund the amounts to the allottees, admitting their incapacity to carry forward the project. Therefore the association of allottees have no hope in the Respondent to either initiate the refund of the amount and hence now, would like to pursue with the allotted flat.

40. The Authority notes that, although the RERA registration for the project specifies the completion date as 27.04.2025, the Respondent, through multiple Sale Deeds and Memoranda of Understanding (MoUs) executed with the allottees, had contractually committed to completing the project and delivering possession by June 2023. It is a matter of serious concern that, since January 2023, there has been no construction activity at the project site whatsoever. Even the foundational work remains incomplete to date.

41. This prolonged inaction and failure to initiate development works clearly indicate gross negligence on the part of the Respondent and suggest a wilful abandonment of their statutory and contractual obligations under the Real Estate (Regulation and Development) Act, 2016. Upon a cumulative appraisal of the material placed on record, including the Respondent's persistent non-compliance with the provisions of the Act and the complete absence of progress at the site, this Authority is of the considered view that the Respondent Promoter has failed to fulfil the commitments made to the allottees and has defaulted in discharging the duties and responsibilities mandated under the RE(R&D)Act.

42. The fact that the Respondent has ceased appearance before this Authority since November 2024, without furnishing any justification or communication, further strengthens the inference that the Respondent has neither intention nor capacity to complete the project and has

effectively abandoned its responsibilities. This continued absence not only amounts to disrespecting the Authority's summons but also reflects a total disregard for the rights and grievances of the allottees. In this context, the Authority finds no merit in the Respondent's claims of potential future completion and is constrained to reject the same.

43. The issue that now arises is whether the Authority is empowered to invoke Section 7 of the RE(R&D) Act, 2016 and, in consequence, initiate proceedings under Section 8 of the said Act. To consider this, the Authority must examine the statutory framework.

44. In order to answer the above issues, it would be necessary to examine section 7 of the RE(R&D) Act which is reproduced hereinbelow for ready reference:

7. (1) The Authority may, on receipt of a complaint or suo motu in this behalf or on the recommendation of the competent authority, revoke the registration granted under [section 5](#), after being satisfied that—

(a) the promoter makes default in doing anything required by or under this Act or the rules or the regulations made thereunder;

(b) the promoter violates any of the terms or conditions of the approval given by the competent authority;

(c) the promoter is involved in any kind of unfair practice or irregularities.

Explanation.—For the purposes of this clause, the term “unfair practice means” a practice which, for the purpose of promoting the sale or development of any real estate project adopts any unfair method or unfair or deceptive practice including any of the following practices, namely:—

(A) the practice of making any statement, whether in writing or by visible representation which,—

(i) falsely represents that the services are of a particular standard or grade;

(ii) represents that the promoter has approval or affiliation which such promoter does not have;

(iii) makes a false or misleading representation concerning the services;

(B) the promoter permits the publication of any advertisement or prospectus whether in any newspaper or otherwise of services that are not intended to be offered;

(d) the promoter indulges in any fraudulent practices.

(2) The registration granted to the promoter under [section 5](#) shall not be revoked unless the Authority has given to the promoter not less than thirty days notice, in

writing, stating the grounds on which it is proposed to revoke the registration, and has considered any cause shown by the promoter within the period of that notice against the proposed revocation.

(3) The Authority may, instead of revoking the registration under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose in the interest of the allottees, and any such terms and conditions so imposed shall be binding upon the promoter.

(4) The Authority, upon the revocation of the registration,—

(a) shall debar the promoter from accessing its website in relation to that project and specify his name in the list of defaulters and display his photograph on its website and also inform the other Real Estate Regulatory Authority in other States and Union territories about such revocation or registration;

(b) shall facilitate the remaining development works to be carried out in accordance with the provisions of [section 8](#);

(c) shall direct the bank holding the project bank account, specified under sub-clause (D) of clause (l) of sub-section (2) of [section 4](#), to freeze the account, and thereafter take such further necessary actions, including consequent de-freezing of the said account, towards facilitating the remaining development works in accordance with the provisions of [section 8](#);

(d) may, to protect the interest of allottees or in the public interest, issue such directions as it may deem necessary.

49. From the plain reading of the above sections, it is clear that this Authority may, on receipt of a complaint, revoke the registration granted under section 5, only after being satisfied that: (a) the Promoters (Respondents herein) makes default in doing anything required by or under this Act or the rules or the regulations made thereunder; (b) the Promoters (Respondents herein) violates any of the terms or conditions of the approval given by the competent authority; (c) the Promoters (Respondents herein) is involved in any kind of unfair practice or irregularities; (d) the Promoters (Respondents herein) indulges in any fraudulent practices and in case the project has lapsed then the Authority, may consult the appropriate Government to take such action including the carrying out of the remaining development works by competent authority or by the Association of Allottees or in any other manner.

50. In the present case, the Promoter has failed to fulfill their statutory duties under the Act and has committed multiple violations, including but not limited to:

- a. Failure to complete even 10% of the project construction till date, despite having contractually committed, through multiple Memoranda of Understanding and Agreements for Sale, to deliver possession by June 2023.
- b. Failure to refund monies to those allottees who opted for cancellation of their units due to the inordinate delay in project execution, thereby causing grave financial distress to such allottees.
- c. Indulgence in misleading representations before this Authority, by providing false assurances regarding imminent completion of the project, which remain unsubstantiated by any credible or documented progress.
- d. Non-compliance with Section 11 of the RE(R&D) Act, owing to failure to upload mandatory quarterly progress reports, thereby depriving stakeholders and allottees of vital project-related disclosures.
- e. Violation of Section 13 of the RE(R&D) Act, by accepting more than 10% of the total consideration from certain allottees without executing a valid Agreement for Sale, in direct contravention of statutory safeguards.
- f. Existence of material discrepancies between the Agreements for Sale uploaded on the Authority's website and those actually executed with individual allottees, raising concerns regarding transparency and contractual fidelity.
- g. Failure to secure requisite funding for project completion, despite having already collected more than 50% of the total sale consideration from each allottee. The Respondent has neither demonstrated financial prudence nor made credible efforts to arrange alternative sources of funding, thereby jeopardizing the legitimate expectations of the allottees and further delaying the execution of the project.
- h. Repetitive and systemic violations of the RE(R&D) Act across multiple projects undertaken by the Respondent Promoter. This Authority notes with grave concern that in at least seven other projects, more than 200 complaints have been received from aggrieved allottees. In five of these projects, the Respondent has been found to be marketing and selling units without having secured registration under the RE(R&D) Act, in clear breach of the statutory mandate. Consequently, the Authority declared the Respondent Promoter as a defaulter under Section 7(4)(a) of the RE(R&D) Act for the project 'Jaya Platinum', vide Complaint No. 1269/2023 & Ors., dated 02.12.2024.
- i. Abandonment of regulatory proceedings, as evidenced by the Respondent's continued non-appearance before this Authority since November 2024, without offering any

explanation or justification, thereby indicating a conscious disregard for both regulatory oversight and the rights of the allottees.

51. From the totality of facts placed on record and after giving due consideration to the conduct of the Respondent promoter, it is abundantly clear that the promoter has not only failed to carry out the obligations under the RE(R&D) Act but has also undermined the regulatory framework established under the Real Estate (Regulation and Development) Act, 2016. The Authority is satisfied that the grounds stipulated under Section 7(1)(a), (b), (c), and (d) stand attracted in the present matter.

52. The Respondent's defaults both statutory and contractual have severely impacted the interests of allottees, many of whom have invested their life savings into the project. The Respondent's abandonment of the project, failure to engage with the Authority post-November 2024, and its conduct across other projects further strengthen the conclusion that the Respondent promoter has acted in a manner prejudicial to the rights of homebuyers and in violation of the objectives of the RE(R&D) Act.

53. In light of these repeated and persistent violations, and in view of the multiple complaints received against the Respondent promoter across several projects, this Authority is of the view that the Promoter has systematically and willfully defaulted under the RE(R&D) Act, 2016 and has demonstrated conduct that is detrimental to the interests of the allottees.

54. Accordingly, a Show Cause Notice dated 20.02.2025 was issued to the Respondent Promoter under Section 7 of the Real Estate (Regulation and Development) Act, 2016, calling upon the Respondent to show cause as to why the RERA registration of the project "Jaya Diamond" should not be revoked. As per Section 7 of the said Act, the Authority is required to provide the promoter a minimum period of thirty days to submit a response. The said period has since lapsed. However, no reply, justification, or explanation has been submitted by the Respondent within the prescribed time. The Authority, therefore, finds that the Respondent has failed to avail the opportunity granted and is constrained to draw an adverse inference. The Authority accordingly proceeds to take appropriate action under the provisions of the RE(R&D) Act.

55. It is also noted that the complainant association of allottees has submitted a roadmap for taking over the remaining development work under Section 8, which is currently under the Authority's active consideration. Until such time a decision is made on the roadmap submitted by the complainant association, the Authority deems it appropriate to keep the registration in **Abeyance.**

F. Directions of the Authority:

56. In view of the foregoing discussion and findings, the Authority proceeds to pass the following interim directions:

1. The project titled “Jaya Diamond” bearing RERA Registration Number *P02200004769* is hereby placed in abeyance with immediate effect. The Respondent is directed to immediately cease all activities relating to advertising, marketing, booking, selling, or offering for sale, and inviting persons to purchase any apartment in the said project until further orders, in the larger public interest and to protect the interests of the allottees.
2. Respondents No. 1 and 2 are hereby restrained from alienating, transferring, or encumbering any units or the underlying land of the project “Jaya Diamond.” The Office of this Authority is directed to intimate the jurisdictional Sub-Registrar to ensure that no registrations or conveyances are effected in relation to this project until further directions.
3. The Secretary, TG RERA, is directed to take appropriate steps regarding suspension of the aforementioned project's RERA registration number. The Secretary TG 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 webpage 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 Complainants and Respondent are 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.

57. The hearing is scheduled on 25.04.2025

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