



RERA-Practical approach on
Registration, Compliance and Audit

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Do you know about ? Indian Real Estate Sector/Industry

1. Real estate sector is one of the most globally recognized sectors
2. Second largest source of employment in our country after agriculture
3. this sector brings more non-resident Indian (NRI) investment, both in the short term and the long term



Market size :-

4. By 2030, real estate market will grow to rs. 100,000 crore (1 trillion) from rs. 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector to contribute 13% to the country's GDP by 2025.
5. Home sales volume across eight major cities in India jumped by 2x to 61,593 units from October 2020 to December 2020, compared with 33,403 units in the previous quarter, signifying healthy recovery post the strict lockdown imposed in the second quarter due to the spread of COVID-19 in the country.
6. In November 2020, Prestige Estates Projects Ltd. sold a large portfolio of office, retail and hotel properties to Blackstone for Rs. 12,745 crore (US\$ 1.7 billion).

Government Initiatives :-

7. Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies

8. The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.

WHY RERA

BEFORE RERA

There were no standard norms in relation to builder-buyer agreement

Own method of calculation of the Carpet Area

Rate of interest was not same

Diversion of Funds in another project

No limit on Advance payment

No right in case of defect after possession

AFTER RERA

Not possible, now as per Form G (agreement for sale) Sec 13 (2) & Rule 9

Now defined as per sec 2(k)

State Bank of India highest Marginal Cost of Lending Rate plus two percent (Rule 17)

Not possible as per sec 4(1)(d)

Maximum 10% of cost of apartment as per sec 13

Will rectify the defect within 30 days without charges as per sec 14(3)

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12. Therefore, it was decided by the government to enact A law and establish an authority which would act as the regulator for the real estate sector. Like SEBI does for securities market.

13. The government of India enacted the real estate (regulation and development) act, 2016 by passing in the parliament, recd the assent of the president on 25th march 2016, published on 26.03.2016 for general information & the act came into force from may 1, 2016 initially with 59 of its 92 sections and the remaining provisions came into effect from may 1, 2017

14. Law implemented from 1st may 2017

15. States have notified the RERA rules. [Sec. 84 of the act]
-the raj. Real estate (regulation and development) rules, 2017

16. States have constituted the real estate regulatory authority
[sec. 85 of the act]
- the raj. Real estate regulatory authority regulations, 2017

Website and address:- <https://rera.Rajasthan.Gov.In>
Rajasthan real estate regulatory authority, 2nd & 3rd floor, RSIC
building ,Udyog bhavan, tilak marg,c-scheme,jaipur-302005

■ Objectives of RERA:-

1. To ensure **efficiency and transparency** in sale of real estate projects.
2. To protect the **interests of consumers** in the real estate sector.
3. To **establish an adjudication** and speedy dispute redressal mechanism.
4. To **establish appellate tribunal** to hear appeals from orders of RERA
5. To encourage real estate sector by **boosting the investments.**

Provisions (sections) which came into force from 01.05.2017:-

Chapter II, Sections 3-10

- Registration of project
- Reg of Real Estate Agents, Function of Real Estate Agents

Chapter III, Sections 11-18

- functions and duties of promoter

Chapter IV, Section 19:- Rights and Duties of allottees

Chapter V, Section 40:- Recovery of Interest or penalty

Chapter VIII, Sections 59-70:- [Penalties]

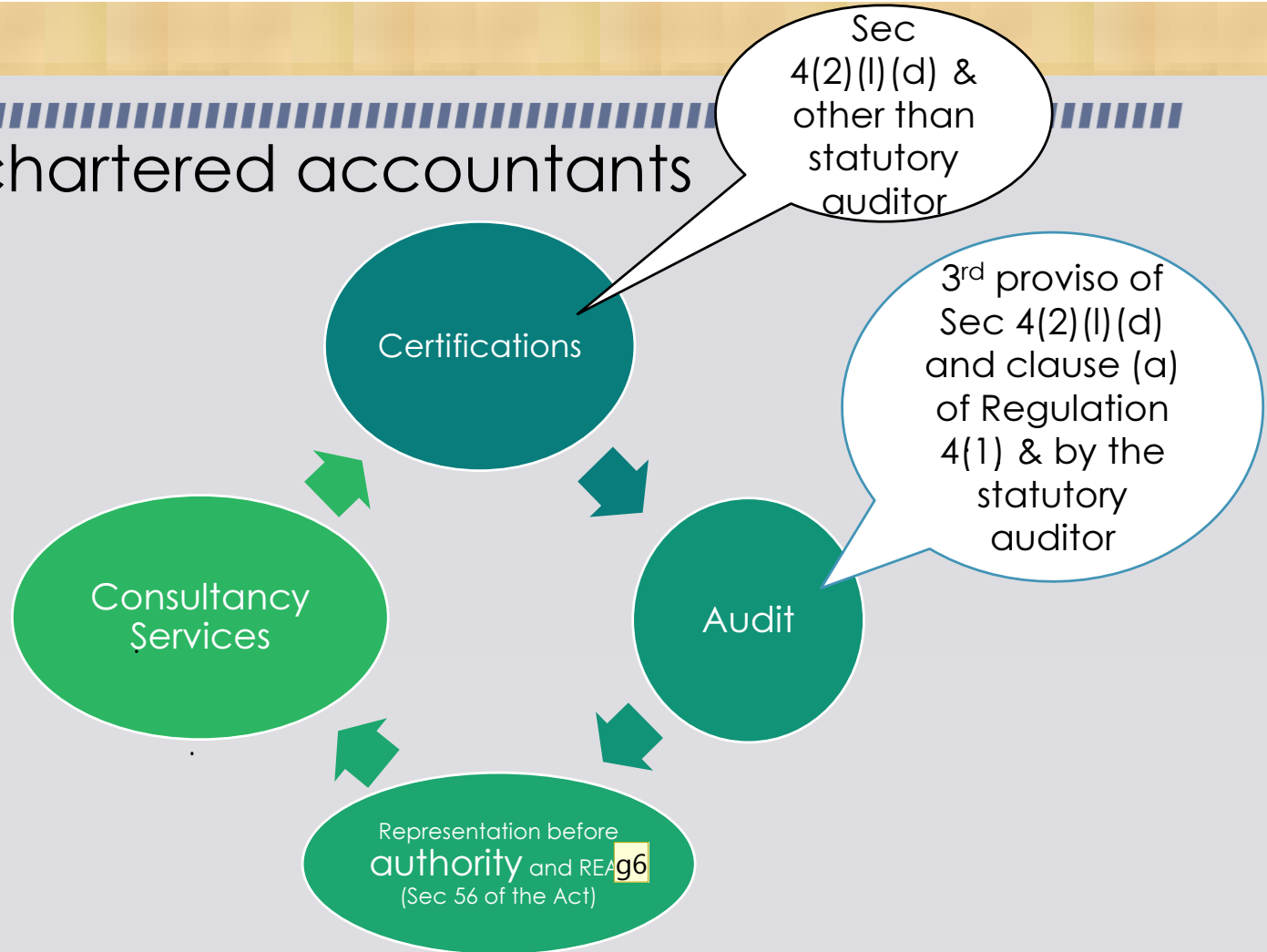
Chapter X, Sections 79-80



Compliance under RERA

- Uploading of Agreement/ Plan/Approval
- Quarterly Monitoring with RERA
- Separate bank RERA Bank Accounts for 70% of receipts
- Submission of QPR [**Last date for online submission of all QPRs ending on 31.03.2021 is 30.06.2021 as per order dated 31.05.2021**]
- Annual Report Form R-4 [last date 30.06.2021 **for 2017-18 to 2019-20**]
- Taking necessary Approval and Insurance
- Formation of Allottee's Association
- Timely completion and delivery including common areas

Role of chartered accountants





SOME IMPORTANT Definitions:-

Allottee 2(d)

- The Person to whom a plot, apartment or building has been allotted, sold by the promoter excluding given on rent

Promoter 2(zk):-

- Builder
- Developer
- Plotting developer
- Area sharing or revenue sharing land owners
- Development authority or any other public body UITs, Municipal bodies, Housing Board, when involved in sale



SOME IMPORTANT Definitions:-

Project 2(zn)

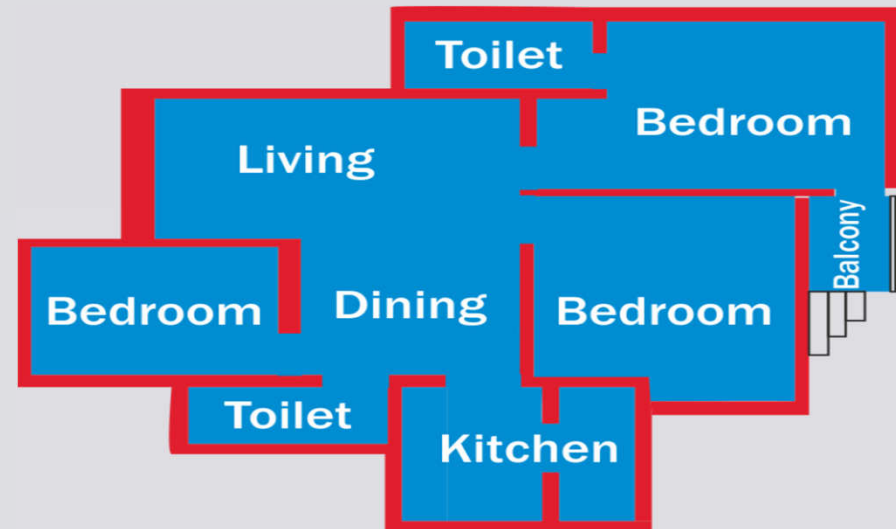
- building, part of building into apartments, building consisting of apartments, development of land into plots for the purpose of selling all or some and includes the common areas, development work

COMPETENT AUTHORITY 2(p):-

- The local authority or any authority created under any law for the time being in force by the appropriate government which has power to give permission for development of immovable property

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Carpet Area 2(k) & Built up area:-Area that can be covered by a carpet (i.e. net usable floor area) excluding area of external walls, areas for service shafts, balcony area, open terrace but includes area of internal partition walls of the apartment. Carpet area majorly comprises of 70% of the built-up area of a home which covers bedrooms, living room, kitchen, inner staircases and bathrooms wherever applicable. Built up area:- Carpet area + area of walls + area of terrace/balcony





Chapter -II What Is Covered:-Section 3

- All Real Estate Projects
- Villas, Township, Apartment Complex, Multi-storey Developments, Plotting Development All Covered.

Section-3 HOW DOES RERA WORK:-

- Real estate project has to be registered by the promoter with RERA [sec.3]
- without registration A promoter cannot advertise, market, book, sell, offer for sale, invite for purchase
- RERA registration required even for ongoing projects unless completion certificate has been obtained.



SECTION 3-IMPORTANCE OF REGISTRATION:-

- No marketing or booking without registration
- if development is in phases, each phase is considered as A stand alone project requiring registration



SECTION-3 Exemptions For Registration Of The Project:-

- Project land to be developed does not exceed 500 sq. Meters.
- Apartments proposed to be developed does not exceed 8 including all phases
- completion certificate issued for the project prior to commencement of the act.
- Any renovation, repair or re-development is carried out not involving any marketing, advertising, selling or new allotment of any apartment, plot or building.

Application for registration:-[sec.4] & Rule 3

Sr No.	Documents and Compliances
1	ID and Address proof of proprietor/partners/directors
2	PAN Card of company and its partners/directors
3	Photograph of chairman/partner/director and authorized person in JPEG Format
4	Aadhaar Card
5	Mobile number and email id of contact person
6	Address for official communication with pin code
7	Name, Branch Name, bank address, IFS Code and Bank account number of the bank (Project specific to be open in bank)
8	Brief details of the projects launched in the last five years in excel format containing following details:-



Application for registration:- [sec.4]

- 9 Project Details and Documents:-
 - Ø Project type of new project-Residential/Commercial
 - Ø Estimated commencement date,
 - Ø Estimated finish date,
 - Ø actual commencement date,
 - Ø litigation related to project-Yes/No
 - Ø Legal title report (Advocate Report) and **Title Deed of the Project in case of self owned**
 - Ø **Development Agreement**
 - Ø **Title Deed of the project of the land owner in case of JV**
 - Ø Complete Address of the Project
 - Ø Water supply permission
 - Ø Fire NOC
 - Ø Airport NOC
 - Ø Environmental NOC
 - Ø Sanctioned Plan
 - Ø Map Approval
 - Ø Built up area and saleable area
 - Ø Brochure
 - Ø Registration Certificate
 - Ø MOA/AOA in case of Company
 - Ø **Signed Proforma of the allotment letter and agreement for sale for project**
 - Ø Phase Area (In sq. meters)
 - Ø Open Area(In sq. meters)
 - Ø Number Of Apartments / Plots
 - Ø Sanctioned Number Of Apartments / Plots
 - Ø Fee for Registration (Auto calculate on Rera Portal) – As per phase area



Application for registration:-[sec.4]-ESTIMATED PROJECT COST (defined in rule 5)

Estimated Project Cost:-

1. Land Cost As Per Rule 5(1)

For the purposes of sub-clause (D) of clause (I) of sub-section (2) of section 4, the **land cost** shall be the cost incurred by the promoter whether as an outright purchase, lease charges etc. and includes-

Revenue or area share given to land owner in lieu of land under any kind of agreement such as Joint Venture, Joint Development etc., in case the Promoter is not the owner of the land.

Amount paid to land owner.

Incidental costs related to acquisition of land such as stamp duty, brokerage, settlement costs of litigation, premiums paid to government authorities related to land.

Interest on finance for purchase of land.

Litigation costs incurred for land acquisition.

Property and other taxes, fees, premiums paid.



Application for registration:-[sec.4]-ESTIMATED PROJECT COST

Estimated Project Cost:-

1. Development Cost As Per Rule 5(2)

For the purposes of sub-clause (D) of clause (I) of sub-section (2) of section 4, the **construction cost** shall be the total cost incurred by the promoter, towards the on-site expenditure for the physical development of the project and includes fees payable to the architects, consultants, project managers/staff including engineers, marketing agents etc. fees/charges/security deposit payable to various departments/authorities, Labor Cess, GST which are incurred during the development of the project.

Not to include:-

General Admin Costs—e.g. Directors/Partners Remuneration

Selling Costs

Dep. On Idle P &M

Costs Of Unconsumed/Uninstalled Materials Delivered At Site

Sub-contractors Advances

Application for registration:-[sec.4]- PARKING AND BUILDING DETAILS

10	Parking Details
	Open-No of car parking, No. of 2 whellers, Mechanical Parking
	Stilt-No of car parking, No. of 2 whellers, Mechanical Parking
	Basement-No of car parking, No. of 2 whellers, Mechanical Parking
	Any other floor-No of car parking, No. of 2 whellers, Mechanical Parking
11	Building Details
	Name of Building, No. of Blocks
	No. of Basement, No of Floors, No of Stilt
	Apartment Type Details
	Apartment Type, Block, Carpet Area in Sq Mt, Area of Balcony and Verandah
	Proposed No. of Apartment, No of Apartment Booked
	Apartment Documents-Floor Plan, Electrical Drawing, Plumbing Drawings, HVAC Drawings
	Building Documents:-
	Building Sanction Plan
	Structural drawings (for all floors, Foundation details, Column schedule, Retaining wall details, Slab & beam Structural details if any)
	Architectural drawings:
	Electrical Drawings etc.

Application for registration:-[sec.4]-
CONSULTANTS DETAILS

12	Real Estate Agent, Contractor, Architect, CA, Structural Engineer, HVAC, Plumbing- Reg No., Email, contact, name and address
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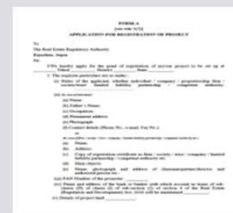
13. Project Related Legal Documents:-

Legal Title Report Of Land

Detail Of Encumbrances For Project

Signed Proforma Of The Allotment Letter And Agreement For Sale For Project (As Per RAJ-RERA Rules And FORM G)

Declaration In FORM B (As Per RAJ-RERA Rules)



Section 4(2)(l)(d):-

Details of Bank Account to be opened for RERA Project:-

No of account- 3

name:- a. Collection account of the project

b. RERA Separate account- of the project

c. Current/Transaction account of the project

how to use collection account: -

all booking amount/sale amount from allottees to be deposited in collection account



Section 4(2) (I) (d):-

How to Use RERA Separate account: -

- 70 % of amount (excluding GST) to be deposited in this account from collection account.
- No withdrawals from separate account without three certificates – R-1 (architect), R-2 (engineer) and R-3 (CA certificate)

Use of withdraw amount from separate account:- land cost and construction cost of the project, in case of cancellation of an allotment -70% of amount to allottee. Interest on bank loan, interest on unsecured loan. Excluding penalty, interest or compensation levied under the Act.

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Section 4(2)(I)(d):-

How to Use Current/Transaction account: -

- 30% of amount is to be deposited.

- account shall be used for meeting expenses other than directly related to construction and development of the project. All payment on account of the penalties, interest and compensation shall be use from this account

Important:- no certificates required at the time of every withdrawal by the promoter.

When the promoter subsequently wants to withdraw a further amount in excess of the ceiling set by the existing certificate, then before such subsequent withdrawal, he will be required to obtain a new set of certificates from all the three professionals.

There is no such legal requirement that the same chartered accountant should issue subsequent certificates for withdrawal from the bank in relation to a project

BANKING MECHANISM

Collection A/c

- booking/sales amount to be deposited
- 70% amount excluding GST to be transferred to RERA Separate Account

RERA Separate Account

- **Incoming:-** 70% amount from collection account
- **Outflow:-** construction and land cost, Interest on bank loan, interest on unsecured loan, payment to land owner, **in case of cancellation of an allotment - 70% of amount to allottee**

Transaction/Current Account

- Can be use for any other purpose
- **penalty, interest or compensation**

QUARTERLY PROGRESS REPORT SUMMARY DETAILS (OCTOBER TO DECEMBER, 2018)



Quarterly Progress Report Summary Details (October to December, 2018)

I. PARTICULARS OF THE PROJECT		EXTENSION APPLICATION NO. : RA [REDACTED]	
Name of the Registered project	[REDACTED]	Registration No. of the Project	RA [REDACTED]
Name of the Promoter	[REDACTED]	Name of other Promoter(s)	[REDACTED]
Project Address	[REDACTED]		
Type of Project	Group Housing	Number of Sanctioned Apartments/Plots	24
Total Area of Project(In sq. meters)	1,005.21	Phase Area (In sq. meters)	1,005.21
Registration certificate is valid upto	31-10-2018	Registration extended upto	Not Applicable

II. NUMBER AND TYPE OF APARTMENTS BOOKED (OCTOBER TO DECEMBER, 2018)

Building Name : Vishwaas 24

Apartment Type	Block Number	Carpet Area (Excluding balcony / Verandah / terrace) (In sq. meters)	Area of Exclusive Balcony and Verandah	Total Number of Sanctioned Apartments	Number of Apartments booked/ sold/ allotted at the time of registration or by the end of last quarter	Cumulative Number of Apartments booked/ sold/ allotted by the end of the current quarter
3BHK	Block - 1	108	15	10	0	0
3BHK	Block - 1	104	19	12	4	0

III. NUMBER OF PARKINGS ALLOTTED

Type	Total No. of Car parking	Total No. of Two Wheeler parking	Total No. of cycle parking	Total No of Mechanical Car Parking	Total No. of parking allocated at the time of registration or by the end of last quarter		Cumulative No. of parking allocated by the end of current quarter	
					Car	Two Wheelers	Car	Two Wheelers
Open Area	14	0	0	0	0	0	4	0
Stilt Floor	6	22	0	0	0	0	0	0
Basement	13	11	0	0	0	0	0	0
Any Other Floor	0	0	0	0	0	0	0	0
Total	33	33	0	0	0	0	4	0

IV. STATUS OF THE PROJECT CONSTRUCTION/DEVELOPMENT

PART 1: ARCHITECTURAL PROGRESS AS PER FORM R1 ISSUED AS AT THE END OF CURRENT QUARTER (OCTOBER TO DECEMBER, 2018)

TABLE - A

Building Name: ~~XXXXXXXXXX~~

S.No.	Task/Activity	Percentage of work done	
		In Last Quarter	In Current Quarter
1	Excavation	100	100
2	1 Number of Basement(s) and Plinth	100	100
3	1 Number of Stilt Floor	100	100
4	14 Number of Slabs of Super Structure	100	100
5	Internal walls, Internal Plaster, Floorings with in Flats/Premises, Doors and Windows to each of the Flat/Premises	90	100
6	Sanitary Fittings with in the Flat/Premises, Electrical Fittings with in the Flat/Premises	100	100
7	Staircases, Lifts wells and Lobbies at each Floor level connecting Staircases and Lifts, Overhead and Underground Water Tanks	100	100
8	The External Plumbing and External Plaster, Elevation, Completion of terraces with waterproofing of the Building/Wing	70	100
9	Installation of lifts, Water pumps, Fire Fighting Fittings and Equipment as per CFO NOC, Electrical Fittings to Common Areas, electro, Mechanical equipment, Compliance to conditions of environment / CRZ NOC, Finishing to entrance lobby/s, plinth protection, paving of areas appurtenant to Building/Wing, Compound Wall and all other requirements as may be required to obtain Occupation/Completion Certificate	100	100


TABLE - B

Internal and External Development Works for the entire registered Phase/Project

S.No.	Common areas and Facilities/Amenities	Proposed Yes/No	Percentage of work done		Details if any
			By the end of Last Quarter	By the end of Current Quarter	
1	Internal Roads & Footpaths	Yes	50	100	
2	Water Supply	Yes	60	100	
3	Sewerage (chamber, lines, Septic Tank STP)	Yes	60	100	
4	Storm Water Drainss	No	0	0	
5	Landscaping & Tree Planting	Yes	50	100	
6	Street Lighting	Yes	30	100	
7	Community Building	Yes	100	100	
8	Treatment and disposal of sewage and sullage water	No	0	0	
9	Solid Waste management & Disposal	No	0	0	
10	Water conservation, Rain water harvesting	Yes	100	100	
11	Energy management	No	0	0	
12	Fire protection and fire safety requirements	Yes	100	100	
13	Electrical meter room, sub-station, receiving station	Yes	100	100	
Form R1: Date of issue					

PART 2: ENGINEERING PROGRESS AS PER FORM R2 ISSUED AS AT THE END OF CURRENT QUARTER (OCTOBER TO DECEMBER, 2018)

TABLE - A

Building Name : 

S.No.	Task/Activity		Percentage of work done	
			By the end of Last Quarter	By the end of Current Quarter
1	Total Estimated cost of the building	₹	53,200,000.00	53,200,000.00
2	Cost incurred against the estimated cost	₹	51,640,437.00	53,026,630.00
3	Work done (as Percentage of the estimated cost)	%	97	100
4	Balance Cost to be Incurred (Bases on Estimated Cost)	₹	1,559,563.00	173,370.00
5	Cost Incurred on Additional/Extra Items not included in the Estimated Cost	₹	0.00	0.00

TABLE - B

Internal and External Development Works for the entire registered Phase/Project

S.No.	Particulars		By the end of Last Quarter	By the end of Current Quarter
1	Total Estimated cost of the Internal and External Development Works including amenities and Facilities	₹	4,000,000.00	4,000,000.00
2	Cost incurred against the estimated cost	₹	3,550,000.00	3,975,000.00
3	Work done in Percentage (as Percentage of the estimated Cost)	%	89.00	99.00
4	Balanced Cost to be Incurred (Based on Estimated Cost)	₹	450,000.00	25,000.00
5	Cost Incurred on Additional/Extra Items not included in the Estimated Cost	₹	0.00	0.00

Summary of Table A and Table B

S.No.	Particulars		In Last Quarter	In Current Quarter
1.	Total Estimated Construction Cost	₹	57,200,000	57,200,000
2.	Total Cost Incurred on Construction	₹	55,190,437	57,001,630
3.	Percentage of Cost Incurred	%	96	100

Form R2: Date of issue

Part 3: Financial Progress as per Form R3 issued as at the end of current Quarter (October to December, 2018)

S.No.	Particulars	Estimated Amount (as per online details)	Incurred Amount	
			By the end of Last Quarter	By the end of Current Quarter
1	A. Land Cost	₹ 36,354,000.00	0.00	0.00
	B. Development Cost/Cost of Construction	₹ 62,500,000.00	61,493,359.00	63,304,552.00
	C. Total project cost(A+B)	₹ 98,854,000.00	61,493,359	63,304,552.00

			In Last Quarter	In Current Quarter
2	Percentage of total cost incurred on land	%	0	0
3	Percentage of total cost incurred on development	%	98	101
4	Percentage Completion of construction work (as per Project Engineer's Certificate, R-2)	%	96	100
5	Percentage of the Cost incurred on Land Cost to the Total Estimated Cost	%	0	0
6	Percentage of the Cost incurred on Construction Cost to the Total Estimated Cost	%	62	64
7	Amount Which can be withdrawn from the separate Account	₹	61,493,359.00	63,304,552.00
8	Less: Amount withdrawn till date of this certificate as per books of accounts and Bank Statements	₹	11,279,787.00	12,426,713.00
9	Net Amount Which can be withdrawn from the Separate bank account under this certificate	₹	50,213,571.00	50,877,839.00
Form R3: Date of issue				

V. PROJECT COMMON AREA DETAILS- DEVELOPMENT WORK FOR WHOLE PROJECT

S. No.	Common Area And Facilities, Amenities	Proposed	Percentage Of Completion (%)	Drawings uploaded in online Project details or not	If no, Planned date of uploadi of these drawings
1	Water Supply	Yes ▾	100	<input checked="" type="radio"/> Yes <input type="radio"/> No	
2	Rain Water Harvesting/ Recharging	Yes ▾	100	<input checked="" type="radio"/> Yes <input type="radio"/> No	
3	Sanitation(Storm Water Drainage, Sewerage, STP, Solid Water Disposal etc)	Yes ▾	100	<input checked="" type="radio"/> Yes <input type="radio"/> No	
4	Electrification(Transformer, Solar Energy etc)	Yes ▾	100	<input type="radio"/> Yes <input type="radio"/> No	
5	Fire Fighting Provision	Yes ▾	100	<input checked="" type="radio"/> Yes <input type="radio"/> No	
6	Others	No ▾	0	<input type="radio"/> Yes <input type="radio"/> No	

VI. STATUS OF APPROVALS		
A	Noc's/Permission	Present Status
1	NOC for Environment • Explain why not applicable	Not applicable NA
2	NOC for Fire • Has the NOC been uploaded on RERA web portal?	Received <input checked="" type="radio"/> Yes <input type="radio"/> No
3	Water supply permission • Explain why not applicable	Not applicable NA
4	NOC from Airport Authority of India • Has the NOC been uploaded on RERA web portal?	Received <input checked="" type="radio"/> Yes <input type="radio"/> No
5	Other approval(s) if any,required for the Project Approval for/of	-- Select --
B. Revision of Building Plans		
1	Date of approval of latest Building Plans already uploaded on RERA web portal	09/02/2015
2	Has there been any further Modification,Amendment or Revision, if any, issued by the competent authority with regard to the building plans already uploaded?	<input type="radio"/> Yes <input checked="" type="radio"/> No

Section 4(2)(l)(d):- Annual Audit/Certification: -Within 6 months after end of every financial year

The scope is limited to verifying the following: (i) That the amounts collected for a project have been utilized on the project; and (ii) That the withdrawals made from time to time from the separate bank account were made in accordance with the percentage of completion of the project.

First find out 70% amount was deposited in the separate bank a/c

- List of allottees/Booking MIS
- Date wise collection to check.

Ledger account of the allottees and Relevant Bank statements of the account

- Check receipt credited to the accounts of the allottees with amount appearing in the bank account

Withdrawals made from time to time from the separate bank account in accordance with % of completion of work

- Call for copies of certificates issued by the CA, Engineer and Architect
- Verify individual withdrawals from the separate bank account with the help of relevant certificates

Welcome, [REDACTED]

Register Project

Dashboard

Promoter Profile

Proposed Project

Extension of Project

Updation of Encumbrance Detail

Updation of RERA Account

Annual Progress Report

Select Financial Year

Rajasthan RERA Annual Report on Statement of Accounts of the Project (APR) For the financial year 2017-18 (01.04.2017 to 31.03.2018)

[see the third proviso to sub-clause (D) of clause (1) of Sub-section (2) of Section 4 of the Real Estate (Regulation and Development) Act, 2016 and Regulation-4 of the Rajasthan Real Estate Regulatory Authority Regulations, 2017]

Please Note that:

- 1. This APR is to be submitted online within 6 months of the end of the financial year.
- 2. Failure to submit it within this time limit would attract delay processing charges, apart from any penalty that the Authority may choose to impose.
- 3. This form is to be filled, as far as possible, based on the data provided in Form R-4 issued by the CA who is the statutory auditor of the promoter's enterprise.

I. Particulars of the Project

Name of the Registered project	[REDACTED]
Registration Number	[REDACTED]
Name of the Promoter	[REDACTED]
Name of other Promoter(s)	[REDACTED]
Project Address	[REDACTED] [REDACTED], Jaipur (Rajasthan)
Type of Project	Group Housing
Total Area of Project (In sq. meters)	1005.21
Phase Area (In sq. meters)	1005.21
Number of Sanctioned Apartments / Plots	24

Sec 5:-Grant of registration-Within 30days

Sec 6:- Extension of registration-Not Exceed a period of one year

Sec 7:- Revocation of registration:-(1). The authority if

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

Sec 7(2):- Revocation of registration:-

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

Sec 8:- Obligation of Authority Consequent upon lapse of or on Revocation of Registration:-

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

Sec 9 read with rule 10:- Registration of Real Estate Agent:-

(1) no real estate agent shall facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being the part of the real estate project registered under section 3, being sold by the promoter in any planning area, **without obtaining registration under this section**

(5) Every real estate agent who is registered as per the provisions of this Act or the rules and regulations made thereunder, shall be granted a registration number by the Authority, which shall be quoted by the real estate agent in every sale facilitated by him under this Act

Sec 10:- Functions of Real Estate Agent:-

Every real estate agent registered under section 9 shall—

(a) not facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being sold by the promoter in any planning area, which is not registered with the authority;

(B) maintain and preserve such books of account, records and documents as may prescribed;

(c) not involve himself in any unfair trade practices

(D) facilitate the possession of all the information and documents, as the allottee, is entitled to, at the time of booking of any plot, apartment or building, as the case may be;

Chapter-III

Sec 11:- Functions and Duties of Promotor:-

(1) the promoter shall, upon receiving his login id and password under clause (a) of sub-section (1) or under sub-section (2) of section 5, as the case may be, create his web page on the website of the authority and enter all details of the proposed project as provided under sub-section (2) of section 4, in all the fields as provided, **for public viewing, including—**

- (a) details of the registration granted by the authority;
- (b) **quarterly up-to-date the list of number and types of apartments** or plots, as the case may be, booked
- (c) quarterly up-to-date **the list of number of garages booked;**
- (D) quarterly up-to-date **the list of approvals taken and** the approvals which are pending subsequent to commencement certificate
- (e) **quarterly up-to-date status of the project;** and (f) such other information and documents as may be specified by the regulations made by the Authority.

Chapter-III

Sec 11:- Functions and Duties of Promotor:-

(2) The **advertisement or prospectus issued** or published by the promoter shall mention **prominently the website address of the Authority**, wherein all details of the registered project have been entered **and include the registration number obtained from the Authority** and such other matters incidental thereto.

(3) The **promoter at the time of the booking and issue of allotment letter** shall be responsible to make available to the allottee, the following information, namely:—

(a) sanctioned plans, layout plans, along with specifications, approved by the competent authority, by display at the site or such other place as may be specified by the regulations made by the Authority;

(b) the stage wise time schedule of completion of the project, including the provisions for civic infrastructure like water, sanitation and electricity.

Chapter-III

Sec 11:- Functions and Duties of Promotor:-

(4) The promoter shall— (a) be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots or buildings as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be:

Provided that the responsibility of the promoter, with respect to the structural defect or any other defect for such period as is referred to in sub-section (3) of section 14, shall continue even after the conveyance deed of all the apartments, plots or buildings, as the case may be, to the allottees are executed.

Chapter-III

Sec 11:- Functions and Duties of Promotor:-

(4) The promoter shall— (b) be responsible to obtain the **completion certificate or the occupancy certificate**, or both, as applicable, from the relevant competent authority as per local laws and to make it available to the allottees individually or to the association of allottees, as the case may be;

(c) be responsible to obtain the lease certificate, where the real estate project is developed on a leasehold land, specifying the period of lease, and certifying that all dues and charges in regard to the leasehold land has been paid, and to make the lease certificate available to the association of allottees;

(d) be responsible for providing and maintaining the essential services, on reasonable charges, till the taking over of the maintenance of the project by the association of the allottees

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

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

Chapter-III

Sec 11:- Functions and Duties of Promotor:-

(4) The promoter shall— (f) execute a registered conveyance deed of the apartment, plot or building, as the case may be, in favour of the allottee along with the undivided proportionate title in the common areas to the association of allottees or competent authority, as the case may be, as provided under section 17 of this Act;

(g) pay all outgoings until he transfers the physical possession of the real estate project to the allottee or the associations of allottees, as the case may be, which he has collected from the allottees, for the payment of outgoings (including land cost, ground rent, municipal or other local taxes, charges for water or electricity, maintenance charges, including mortgage loan and interest on mortgages or other encumbrances and such other liabilities payable to competent authorities, banks and financial institutions, which are related to the project):

Provided that where any promoter fails to pay all or any of the outgoings collected by him from the allottees or any liability, mortgage loan and interest thereon before transferring the real estate project to such allottees, or the association of the allottees, as the case may be, the promoter shall continue to be liable, even after the transfer of the property, to pay such outgoings and penal charges, if any, to the authority or person to whom they are payable and be liable for the cost of any legal proceedings which may be taken therefore by such authority or person;

Chapter-III

Sec 11:- Functions and Duties of Promotor:-

(4) The promoter shall— (h) after he executes an agreement for sale for any apartment, plot or building, as the case may be, **not mortgage or create a charge on such apartment**, plot or building, as the case may be, and **if any such mortgage or charge is made** or created then notwithstanding anything contained in any other law for the time being in force, **it shall not affect the right and interest of the allottee** who has taken or agreed to take such apartment, plot or building, as the case may be;

(5) The promoter may cancel the allotment only in terms of the agreement for sale:

Provided that the allottee may approach the Authority for relief, if he is aggrieved by such cancellation and such cancellation is not in accordance with the terms of the agreement for sale, unilateral and without any sufficient cause.

(6) The promoter shall prepare and maintain all such other details as may be specified, from time to time, by regulations made by the Authority

Chapter-III

Sec 12:- Obligation of Promotor regarding veracity of the advertisement or prospectus:-

Where any person makes an advance or a deposit on the basis of the information contained in the notice advertisement or prospectus, or on the basis of any model apartment, plot or building, as the case may be, and sustains any loss or damage by reason of any incorrect, false statement included therein, **he shall be compensated by the promoter** in the manner as provided under this Act:

Provided that if the person affected by such incorrect, false statement contained in the notice, advertisement or prospectus, or the model apartment, plot or building, as the case may be, **intends to withdraw from the proposed project**, he shall be returned his entire investment along with interest at such rate as may be prescribed and the compensation in the manner provided under this Act.

Chapter-III

Sec 13:- No deposit or advance to be taken by promoter without first entering into agreement for sale :-

(1) **A promoter shall not accept a sum more than ten per cent of the cost of the apartment, plot, or building as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale, under any law for the time being in force.**

(2) The agreement for sale referred to in sub-section (1) shall be in such form as may be prescribed and shall specify the particulars of development of the project including the construction of building and apartments, along with specifications and internal development works and external development works, the dates and the manner by which payments towards the cost of the apartment, plot or building, as the case may be, are to be made by the allottees and the date on which the possession of the apartment, plot or building is to be handed over, the rates of interest payable by the promoter to the allottee and the allottee to the promoter in case of default, and such other particulars, as may be prescribed

Chapter-III

Sec 14:- Adherence to Sanctioned Plans & Projects Specifications by the Promoter :-

(1) The proposed **project shall be developed and completed by the promoter in accordance with the sanctioned plans**, layout plans and specifications as approved by the competent authorities.

(2) Notwithstanding anything contained in any law, contract or agreement, after the sanctioned plans, layout plans and specifications and the nature of the fixtures, fittings, amenities and common areas, of the apartment, plot or building, as the case may be, as approved by the competent authority, are disclosed or furnished to the person who agree to take one or more of the said apartment, plot or building, as the case may be, **the promoter shall not make-**

(i) **any additions and alterations in the sanctioned plans**, layout plans and specifications and the nature of fixtures, fittings and amenities described therein in respect of the apartment, plot or building, as the case may be, which are agreed to be taken, **without the previous consent of that person:**

Provided that the promoter may make such minor additions or alterations as may be required by the allottee, or such minor changes or alterations as may be necessary due to architectural and structural reasons duly recommended and verified by an authorized Architect or Engineer after proper declaration and intimation to the allottee

Chapter-III

Sec 14:- Adherence to Sanctioned Plans & Projects Specifications by the Promoter :-

Explanation.—For the purpose of this clause, "**minor additions or alterations**" **excludes structural change including an addition to the area or change in height, or the removal of part of a building, or any change to the structure, such as the construction or removal or cutting into of any wall or a part of a wall, partition, column, beam, etc.**

(ii) **any other alterations or additions in the sanctioned plans**, layout plans and specifications of the buildings or the common areas within the project **without the previous written consent of at least two-thirds of the allottees, other than the promoter, who have agreed to take apartments in such building.**

Explanation.—For the purpose of this clause, the allottees, irrespective of the number of apartments or plots, as the case may be, booked by him or booked in the name of his family, or in the case of other persons such as companies or firms or any association of individuals, etc., by whatever name called, booked in its name or booked in the name of its associated entities or related enterprises, shall be considered as one allottee only.

Chapter-III

Sec 14:- Adherence to Sanctioned Plans & Projects Specifications by the Promoter :-

(3) In case any structural defect or any other defect in workmanship, quality or provision of services or any other obligations of the promoter as per the agreement for sale relating to such development is brought to the notice of the promoter within a period of five years by the allottee from the date of handing over possession, it shall be the duty of the promoter to rectify such defects without further charge, within thirty days, and in the event of promoter's failure to rectify such defects within such time, the aggrieved allottees shall be entitled to receive appropriate compensation in the manner as provided under this Act

Chapter-III

Sec 15:- Obligations of promoter in case of transfer of a real estate project to a third party :-

(1) The promoter shall not transfer or assign his majority rights and liabilities in respect of a real estate project to a third party **without obtaining prior written consent from two-third allottees**, except the promoter, **and without the prior written approval of the Authority:**

Provided that such transfer or assignment shall not affect the allotment or sale of the apartments, plots or buildings as the case may be, in the real estate project made by the erstwhile promoter.

Chapter-III

Sec 15:- Obligations of promoter in case of transfer of a real estate project to a third party :-

(2) On the transfer or assignment being permitted by the allottees and the Authority under sub-section (1), the **intending promoter shall be required to independently comply with all the pending obligations under the provisions of this Act or the rules and regulations made thereunder, and the pending obligations as per the agreement for sale entered into by the erstwhile promoter with the allottees:**

Provided that **any transfer or assignment permitted under provisions of this section shall not result in extension of time to the intending promoter to complete the real estate project** and he shall be required to comply with all the pending obligations of the erstwhile promoter, and in case of default, such intending promoter shall be liable to the consequences of breach or delay, as the case may be, as provided under this Act or the rules and regulations made thereunder

Chapter-III

Sec 16:- Obligations of promoter regarding insurance of real estate project.

- (1) The promoter **shall obtain all such insurances** as may be notified by the appropriate Government
- (2) The promoter shall be liable to pay the premium and charges in respect of the insurance specified in sub-section (1) and **shall pay the same before transferring the insurance to the association of the allottees.**
- (3) The insurance as specified under sub-section (1) shall stand transferred to the benefit of the allottee or the association of allottees, as the case may be, at the time of promoter entering into an agreement for sale with the allottee
- (4) On formation of the association of the allottees, all documents relating to the insurance specified under sub-section (1) shall be handed over to the association of the allottees.

Chapter-III

Sec 17:- Transfer of title.

(1) The promoter shall execute a registered conveyance deed in favour of the allottee along with the undivided proportionate title in the common areas to the association of the allottees or the competent authority, as the case may be, and hand over the physical possession of the plot, apartment of building, as the case may be, to the allottees and the common areas to the association of the allottees or the competent authority, as the case may be, in a real estate project, and the other title documents pertaining thereto within specified period as per sanctioned plans as provided under the local laws:

Provided that, in the absence of any local law, **conveyance deed in favour of the allottee** or the association of the allottees or the competent authority, as the case may be, under this section shall be carried out by the promoter **within three months from date of issue of occupancy certificate**

Chapter-III

Sec 17:- Transfer of title.

(2) **After obtaining the occupancy certificate and handing over physical possession to the allottees** in terms of sub-section (1), it shall be the responsibility of the promoter to handover the necessary documents and plans, including common areas, to the association of the allottees or the competent authority, as the case may be, as per the local laws:

Provided that, in the absence of any local law, **the promoter shall handover the necessary documents and plans**, including common areas, the association of the allottees or the competent authority, as the case may be, **within thirty days after obtaining the occupancy certificate.**

Chapter-III

Sec 18:- Return of amount and compensation.

(1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building,—

(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or

(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason,

he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act:

Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed

Chapter-IV

Sec 19:- RIGHTS AND DUTIES OF ALLOTTEES.

- (1) **The allottee shall be entitled** to obtain the information relating to **sanctioned plans, layout plans along with the specifications, approved by the competent authority** and such other information as provided in this Act or the rules and regulations made thereunder or the agreement for sale signed with the promoter.
- (2) The allottee shall be entitled to **know stage-wise time schedule of completion of the project**, including the provisions for water, sanitation, electricity and other amenities and services as agreed to between the promoter and the allottee in accordance with the terms and conditions of the agreement for sale.
- (3) The allottee shall be **entitled to claim the possession of apartment, plot** or building, as the case may be, and the association of allottees shall be entitled to claim the possession of the common areas, as per the declaration given by the promoter under sub-clause (C) of clause (I) of sub-section (2) of section 4.

Chapter-IV

Sec 19:- RIGHTS AND DUTIES OF ALLOTTEES.

(4) The allottee shall be entitled to **claim the refund of amount paid along with interest** at such rate as may be prescribed and compensation in the manner as provided under this Act, from the promoter, **if the promoter fails to comply or is unable to give possession of the apartment**, plot or building, as the case may be, **in accordance with the terms of agreement for sale or due to discontinuance of his business as a developer on account of suspension or revocation of his registration under the provisions of this Act or the rules or regulations made thereunder.**

(5) The allottee **shall be entitled to have the necessary documents and plans, including that of common areas, after handing over the physical possession of the apartment** or plot or building as the case may be, by the promoter.



Chapter-IV

Sec 19:- RIGHTS AND DUTIES OF ALLOTTEES.

(6) Every allottee, who has entered into an agreement for sale to take an apartment, plot or building as the case may be, under section 13, **shall be responsible to make necessary payments in the manner and within the time as specified in the said agreement for sale and shall pay at the proper time and place, the share of the registration charges, municipal taxes, water and electricity charges, maintenance charges, ground rent, and other charges, if any**

(7) The allottee **shall be liable to pay interest**, at such rate as may be prescribed, **for any delay in payment** towards any amount or charges to be paid under sub-section (6)

(8) The obligations of the allottee under sub-section (6) and the liability towards interest under sub-section (7) may be reduced when mutually agreed to between the promoter and such allottee

(9) Every allottee of the apartment, plot or building as the case may be, **shall participate towards the formation of an association or society or cooperative society of the allottees**, or a federation of the same

Chapter-IV

Sec 19:- RIGHTS AND DUTIES OF ALLOTTEES.

(10) **Every allottee shall take physical possession** of the apartment, plot or building as the case may be, **within a period of two months of the occupancy certificate** issued for the said apartment, plot or building, as the case may be

(11) Every allottee shall participate towards registration of the conveyance deed of the apartment, plot or building, as the case may be, as provided under sub-section (1) of section 17 of this Act

Chapter-V

SEC 40 Recovery of interest or penalty or compensation and enforcement of order, etc.

40. (1) If a promoter or an allottee or a real estate agent, as the case may be, fails to pay any interest or penalty or compensation imposed on him, by the adjudicating officer or the Regulatory Authority or the Appellate Authority, as the case may be, under this Act or the rules and regulations made thereunder, it shall be recoverable from such promoter or allottee or real estate agent, in such manner as may be prescribed **as an arrears of land revenue.**

Sec 59 to 70:- Offences by promoter and penalties:-

SEC 59:-

(1) **Non Registration:-** may extend up to 10% of the estimated cost of real estate project & **Non-compliance of penalty order** by Promoter (for non-registration of Project) issued by the Authority entails imprisonment up to 3 years or further penalty of 10% of estimated cost or both

SEC 60:- **False information** or contravenes the provision of section 4, may extend up to 5% of the estimated cost of real estate project (In QPR and APR)

Sec:- 61 Where any provisions of the Act (except above) have been contravened: Penalty for promoter is 5% of the estimated cost of the project/ property (Non submission of QPR and APR)

SEC 62:- If any real estate agent fails to comply with or contravenes the provisions of section 9 or section 10, he shall be liable to a penalty **of ten thousand rupees for every day** during which such default continues, **which may cumulatively extend up to five per cent. of the cost of plot, apartment or buildings,** as the case may be, of the real estate project, for which the sale or purchase has been facilitated as determined by the Authority.

Sec 63. If any promoter, **who fails to comply with, or contravenes any of the orders or directions of the Authority,** he shall be liable to a penalty for every day during which such default continues, **which may cumulatively extend up to five per cent.,** of the estimated cost of the real estate project as determined by the Authority.

Sec 64. If any promoter, **who fails to comply with, or contravenes any of the orders, decisions or directions of the Appellate Tribunal,** he shall be punishable with imprisonment for a term which may extend up to three years or with fine for every day during which such default continues, **which may cumulatively extend up to ten per cent.** of the estimated cost of the real estate project, or with both

THANK YOU

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