

# Insights - Real Estate (Regulation & Development) Act

by

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# Objectives of the Act

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## Preamble of the Act:

*An Act to establish the Real Estate Regulatory Authority **for regulation and promotion of the real estate sector** and **to ensure sale** of plot, apartment or building, as the case may be, or sale of real estate project, in an **efficient and transparent manner** and **to protect the interest of consumers** in the real estate sector and to establish an **adjudicating mechanism for speedy dispute redressal** and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto.*

Financial  
Discipline

Transparency

Accountability

Compliance

Customer  
Centric

# **Nature & Scope of the Act**

## Nature & Scope of the Act:

- RERA neither regulates the Real Estate nor the Real Estate development, as such. In fact, both those subjects fall within the exclusive domain of the States.
- RERA regulates only the sale and transfer of real estate development products, namely plots, buildings and apartments.
- *If anyone sells land without any development and develops land without sale, this Act has no application.*
- *The project will come into the ambit of the Act, only when there is a development irrespective of the quantum.*
- The law is prospective in nature.

# Important Definitions

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## 2(zk) Promoter means:

- (i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees; or*
- (ii) A person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purposes of selling to other persons all or some of the plots in the said project, whether with or without structure thereon; or*
- (iii) any development authority or any other public body in respect of allottees of – (a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the government ; or (b) plots owned by such authority or body or placed at their disposal by government for the purposes of selling all or some of the apartments or plots; or

## Important Definitions:

- (iv) An apex state level co-operative housing finance society and a primary co-operative housing society which constructs apartments or buildings for its members or in respect of allottees of such apartments or buildings; or
- (v) *Any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a POA from owner of land on which the building or apartment is constructed or plot is developed for sale or*
- (vi) *such other person who constructs any building or apartment for sale to general public*

*Explanation: For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the persons who sells apartments or plots are different persons, both of them shall be deemed to be the promoters and shall be jointly liable as such for the functions and responsibilities specified, under this Act or rules and regulations made thereunder*



# Important Definitions:

## **Co- promoter:**

- The phrase co-promoter has not been defined under the Act or TG Rules. An office order of MahaRERA dated 11<sup>th</sup> May, 17 has defined the phrase 'co-promoter' as under:

*Co-Promoter means and includes any person(s) or organisation(s) who, under any agreement or arrangement with the promoter of real estate project is allotted or entitled to a share of total revenue generated from sale of apartments or share of total area developed in the real estate project.*

- The liabilities of co-promoter shall be as per the agreement or arrangement with Promoters, however for withdrawal from designated bank account, they shall be at par with the promoter of real estate project.
- Each of the co-promoter entitled to share of the total area developed, should open separate bank account for deposit of 70% of sale proceeds realized from the allottees.

# Important Definitions:

## **(zn) Real Estate Project means:**

- The development of a building or a building consisting of apartments, or converting an existing building or part thereof into apartments, or the development of land into plots or apartment, as the case may be, for the purpose of selling all or some of the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, an all easement, rights and appurtenances belonging thereto

## **(d) allottee:**

- In relation to a real estate project, means the person to whom a plot, apartment or building, as the case may be, has been allotted, sold (whether as freehold or leasehold) or otherwise transferred by promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or otherwise but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent.

# Important Definitions:

## **(zm) Real Estate Agent means:**

- Any person, who negotiates or acts on behalf of one person in a transaction of transfer of his plot, apartment or building, as the case may be, in a real estate project, by way of sale, with another person or transfer of plot, apartment or building, as the case may be, of any other person to him and receives remuneration or fees or any other charges for his services whether as commission or otherwise and includes a person who introduces, **through any medium**, prospective buyers and sellers to each other for negotiation for sale or purchase of plot, apartment or building, as the case may be, and includes property dealers, brokers, middleman by whatever name called

# **Important Authorities under the Act**

# Authorities:

## **Central Government:**

The Central Government is empowered to bring the Act into force by notification. It appoints Central advisory council to advice and recommend it on all matters concerning the implementation of the act. It is appropriate government in the matters relating to any Union Territory without legislature and Union Territory of Delhi.

***The act was made effective from 01<sup>st</sup> May, 17.***

## **Appropriate Government:**

The Appropriate Government shall make Rules for carrying out the provisions of the Act within 6 months. It is empowered to establish the Real Estate Regulatory Authority and Appellate tribunal.

***The Act shall be made by the Central Government and Rules shall be made by appropriate governments that is states.***

### **Real Estate Regulatory Authority – Section 20:**

The appropriate government shall within 1 year from date of coming to force of this Act, by notification, establish RERA to exercise the powers conferred on it and perform the functions assigned to it under the act.

**Provided also that until the establishment of a Regulatory Authority under this section, the appropriate Government shall, by order, designate any Regulatory Authority or any officer preferably the Secretary of the department dealing with Housing, as the Regulatory Authority for the purposes under this Act**

This authority constituted under Section 20 has virtually all functions to be discharged under the act namely granting of registration to the project, revoking thereof, publishing of website and others which shall be dealt in next slides.

### **Real Estate Appellate Tribunal – Section 43:**

The appropriate Government shall, within a period of one year from the date of coming into force of this Act, by notification, establish an Appellate Tribunal to be known as the (State) Real Estate Appellate Tribunal. Till such tribunal is established, the government can designate any appellate tribunal under any law to hear the appeals under the Act.

# Functions of RERA



# Functions of RERA:

- Register & regulate real estate projects/ real estate agents registered under this Act
- Publish & maintain a website of records, for public viewing, of all real estate projects for which registration has been given.
- Creation of a single window system for ensuring time bound project approvals & clearances for timely completion of the project.
- Measures to encourage grading of projects on various parameters of development including grading of promoters.
- Render advice to appropriate Government in matters relating to development of real estate sector.

# **Powers of RERA**

## Powers of RERA:

- The authority if considers expedient to do so, on a complaint or *suo moto*, by order can call up any promoter or allottee or real estate agent at any time to furnish in writing such information or explanation called for.
- Where during the inquiry, if RERA is satisfied that there is a contravention or an act to commit such contravention is found, RERA can restrain any promoter, real estate agent or allottee from carrying on such act until the conclusion of such inquiry or until further orders, without giving notice to such party.
- RERA for purposes of carrying its functions, issue directions from time to time, to promoters, allottees or real estate agents, as the case may be and such directions are binding on concerned.
- RERA have powers to impose penalty, interest, in regard to any contraventions of obligations cast upon promoter, allottee or real estate agents. RERA has also power to recover if the party fails to do so.

# **Mandatory Registration of Project**

## Mandatory Registration:

### Prior Registration of Real Estate Project with RERA:

- No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building as the case may be, in any real estate project or part of it without obtaining registration from RERA.
- The projects that are ongoing as on date of commencement of act and for which CC has not been issued, the promoter shall make an application within 3 months of date of commencement of the act – **Proviso to Section 3 of Act.**
- The Telangana State Real Estate (Regulation and Development) Rules, 2017 has defined 'ongoing projects' vide 2(j) as *means, a Project where development is going on and for which Occupancy Certificate or Completion Certificate has not been issued but excludes such Projects for which building permissions were approved prior to 01.01.2017 by the Competent Authorities viz., UDAs / DTCP / Municipal Corporations / Municipalities / Nagar Panchayats / TSIIIC as the case may be*

# **Exemption from Registration of Project**

## Exemption from Registration of Project:

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### **Projects not liable to be registered:**

- where the area of land proposed to be developed does not exceed five hundred square meters or the number of apartments proposed to be developed does not exceed eight inclusive of all phases
- where the promoter has received completion certificate for a real estate project prior to commencement of this Act
- for the purpose of renovation or repair or re-development which does not involve marketing, advertising selling or new allotment of any apartment, plot or building, as the case may be, under the real estate project

# **Modus Operandi for Registration of Project**



# Modus Operandi for Registration of Project:

## Process for obtaining Registration:

- The promoter has to apply for registration with RERA once he obtains all necessary approvals for the development of project in the manner prescribed by the rules. The promoter has to pay the fee prescribed and enclose the application with all the documents and details mentioned in Section 3 of Act read with Rule 3 of Rules. RERA shall operationalise a web based online system for submitting applications for registration of projects within a period of one year from the date of its establishment.
- RERA **within 30 days** from receipt of application, shall either grant or reject the application. On granting the registration, the promoter shall be allotted a registration number, login ID and password to create his webpage on the portal. If the application is rejected, the same has to be done by recording reasons in writing and after giving an opportunity of being heard.

## Modus Operandi for Registration of Project:

- **Explanation to Section 3:**

For the purposes of Section 3, ***where the real estate project is to be developed in phases, every such phase shall be considered a stand alone real estate project, and the promoter shall obtain registration under this Act for each phase separately.***

- That is to say, if a promoter comes up with a development of project, in ten phases (for example), the promoter has an option to register each phase separately before RERA. However, promoter is prohibited to advertise the amenities in Phase IV (say) when the apartment is pertaining to Phase I, unless he registers all the phases.
- **Real Estate agent** is also mandated to obtain registration under RERA in accordance with Section 9 and discharge his functions under Section 10 of Act.

# Modus Operandi for Registration of Project:

## Rules for Registration of Projects in Telangana:

- An application in Form A has to be submitted in triplicate till the authority comes up with a web based for filing of such application. The application has to be submitted along with fee & docs.

- **Fees:**

Nature of Project	Land development < 1000 Sq Mts	Land development > 1000 Sq Mts	Maximum Fee
Group Housing Project	Rs 5 per Square meter	Rs 10 per Square meter	Rs 5 lakhs
Mixed (Res & Comm)	Rs 10 per Square meter	Rs 15 per Square meter	Rs 7 lakhs
Commercial Project	Rs 20 per Square meter	Rs 25 per Square meter	Rs 10 lakhs
Plotted Developments	Rs 5 per Square meter		Rs 2 lakhs

# Modus Operandi for Registration of Project:

## **Documents required for submission along with Application:**

1. Brief details of enterprise and particulars of registration & PAN
2. Names and Photographs of Promoters
3. Brief details of projects launched by him in past 5 years along with status of completion and any litigation
4. Authenticated Copy of Approvals and Commencement Certificate from Competent Authority (Total/Phase wise)
5. Sanctioned Plan, Layout Plan & Specifications of proposed project/phase of project
6. Plan of Development works to be executed and proposed facilities (fire fighting/drinking water/emergency evac)
7. Location of details of project with clear demarcation of land (longitude & latitude of end points of project)
8. Proforma of allotment letter, AOS and conveyance deed proposed to be signed with allottees
9. Number, Type & Carpet area of apartments for sale (+ exclusive balcony/verandah areas + open terrace areas)
10. Names & Addresses of Real Estate Agents
11. Names & Addresses of Contractors, Architect, Structural Engineer & any other persons concerned
12. Details of Bank Accounts where the amounts realised from allottees are proposed to be parked

## Modus Operandi for Registration of Project:

### **Documents required for submission along with Application:**

13. Declaration, supported by an affidavit, which shall be signed by promoter/authorise person by stating:
- That he has legal title to land on which development is proposed, if land owned by another person
  - That land is free from all encumbrances, if there are no encumbrances
  - Details of encumbrances on such land including any rights, title, interest or name of any party in/over land
  - The time period within which he undertakes to complete the project/phase
  - That 70% of amounts realised in real estate project from allottees shall be deposited in separate bank account
  - Amounts shall be withdrawn from account to cover cost of project in proportion to %age completion of project
  - Amount shall be withdrawn from account after certified by engineer, architect and CA
  - He shall get his accounts audited within 6 months from end of FY by CA (compliance about withdrawals)
  - He shall take pending approvals on time, from the competent authorities

**The above declaration shall be furnished in Form B as per TG Rules.**

# Modus Operandi for Registration of Project:

## **Details to be hosted on website:**

1. Brief detail of promoter's enterprise with type of enterprise
2. Brief details of parent entity including its name and type of such enterprise
3. Work Experience of Promoter and that of the authorised persons of parent enterprise
4. Name, Address, Contact Details and Photograph of Promoter
5. Number of years of experience of promoter or parent entity in real estate development in state of TG
6. Number of years of experience of promoter or parent entity in real estate development in other states/UTs
7. Number of completed projects and area constructed till date in past 5 years, including the status as on date
8. Number of Ongoing projects and proposed area to be constructed in past 5 years, including the status as on date
9. Details of litigation in past 5 years in relation to REP developed or being developed by promoter
10. Weblink to the website of promoter, parent entity and project
11. Advertisement & Prospectus issued in regard to the project
12. Authenticated Copy of approvals and commencement certificate received from competent authority

## Modus Operandi for Registration of Project:

### **Details to be hosted on website:**

13. Sanctioned Plan, Layout Plan and specs of project/phase and whole project
14. Details of Registration granted by RERA
15. Number, Type & Carpet area of apartments for sale (+ exclusive balcony/verandah areas + open terrace areas)
16. Details of number and area of garage for sale in the project
17. Details of number of open parking areas and covered parking areas in REP
18. Names & Addresses of Real Estate Agents
19. Names & Addresses of Contractors, Architect, Structural Engineer & any other persons concerned
20. Location of details of project with clear demarcation of land (longitude & latitude of end points of project)
21. Plan of Development works to be executed and proposed facilities (fire fighting/drinking water/emergency evac)
22. Detailed note explaining the salient features of proposed project including access to project, design for electric supply including street lighting, water supply arrangements and site for disposal and treatment of storm and sullage water, and any other facilities and amenities or public health services proposed to be provided in the project

## Modus Operandi for Registration of Project:

### **Details to be hosted on website:**

23. Gantt or milestone charts and project schedule and time lines to achieve
24. Authenticated copy of PAN of promoter
25. Authenticated copy of license or land use permission, building sanction plan and commencement certificate
26. In case of phase wise development, authenticated copy of license or land use permission in respect of each phase
27. Authenticated copy of site plan/map showing location of project land along with names of revenue estates, survey numbers, cadastral numbers, khasra numbers and area of each parcels of project land
28. Floor Plans for each tower and block including clubhouse, amenities and common areas
29. Any other permissions, approval or license that may be required under applicable laws (fire NOC and others)
30. Authenticated copy of OC and CC including its application
31. Details including proforma of application form, allotment letter, AOS and conveyance deed
32. Authenticated copy of legal title deed reflecting title of promoter to land on which development is proposed along with legally valid docs for chain of title with authentication of such title



## Modus Operandi for Registration of Project:

### **Details to be hosted on website:**

33. Land title search report from an advocate **having experience at least of 10 years**
34. Details of encumbrances on the land on which development of project is proposed including details of any rights, title, interest, dues, litigation and name of any party in or over such land or non- encumbrance certificate from an advocate having experience of at least ten years or the revenue authority not below the rank of Tahsildar
35. where the promoter is not the owner of the land on which development is proposed, a copy of the collaboration agreement, development agreement, joint development agreement or any other agreement, as the case may be, entered into between the promoter and such owner and copies of title and other documents reflecting the title of such owner on the land proposed to be developed
36. Details of mortgage or charge, if any, created on the land and the project
37. Contact address, contact numbers and email-id of the promoter, authorised person and other officials related to the project.

## Modus Operandi for Registration of Project:

**Details to be uploaded within 15 days from end of each quarter:**

1. List of number and types of apartments or plots, offered for sale
2. List of number of garages/parking slots offered for sale
3. Status of Construction of each building with photographs
4. Status of Construction of each floor with photographs
5. Status of Construction of Internal Infrastructure and common areas with Photographs
6. List of Approvals received
7. List of Approvals applied and expected date of receipt
8. Approvals to be applied and date planned for application
9. Modifications, amendments or revisions, if any issued, by competent authority with regard to sanctioned plan

## Modus Operandi for Registration of Project:

- On submission of Form A and Form B (affidavit), then RERA within 30 days, shall either grant or reject the application. If the application is accepted, then the registration number as specified in Form C shall be issued.
- If the application is rejected, the same shall be in Form D and an opportunity shall be given to rectify the mistakes within the time period specified by RERA.
- If RERA fails to either grant or reject application within 30 days, it shall be deemed that the application has been accepted and RERA has to provide the registration number within 7 days after expiry of 30 days.
- The registration granted by RERA shall be valid till the time period mentioned by the promoter for completion of project while making an application in Section 4.

# **Extension for Registration of Project**

## Extension for Registration of Project:

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- The registration granted can be extended without any time limit in case the delay is due to *force majeure*. In all other circumstances, the registration can be extended by a maximum of one year from the initial date for reasons recorded in writing.
- The extension for registration has to be applied in Form E along with fee before 3 months from the expiry of original registration period. The same has to be done in triplicate until the process is made web based.
- The fee shall be 50% of the amount of fee payable when the project is initially registered. The extension shall be accompanied with an ES, setting out the reasons for delay.
- In case extension is granted the same shall be issued in Form F. If not, a notice in Form D shall be given and an opportunity shall be given to rectify the mistakes.

# **Revocation of Registration of Project**

## Revocation of Registration:

- RERA on receipt of complaint or suo moto in this behalf or on recommendation of competent authority, revoke the registration after being satisfied that:
  1. *The promoter makes default in doing anything required either under the act or rules*
  2. *The promoter violates the terms and conditions of approval given by competent authority*
  3. *The promoter is involved in any kind of unfair practice or irregularities.*
- Unfair practice means:
  1. Falsely represents that the services are of a particular grade or standard
  2. Represents that the promoter has approval or affiliation which such promoter does not have
  3. Makes a false or misleading representation concerning the services
  4. Promoter permits publication of any advertisement/prospectus in any newspaper/otherwise of services not intended to be offered

## Revocation of Registration:

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- The authority on revocation of registration:
  1. shall debar the promoter from accessing the website and specify his name in defaulters list and display his photograph on website and informs RERA's of other states
  2. Shall facilitate the remaining development works to be carried out in accordance with Section 8
  3. Shall direct the bank holding the project bank account to freeze the account and defreeze when works are allotted to new promoter



# **Monitoring of REP**

## Monitoring of REP:

- 70% of the funds collected by from allottees needs to be deposited into a separate bank account which is mentioned at the time of obtaining registration for the project from RERA
- The amount to be withdrawn covers only construction and land cost and the amount cannot be used for any purpose other than above.
- The amount from the separate account shall be allowed to be withdrawn in proportion to percentage completion of the project. The amounts shall be withdrawn only after percentage of completion of project is certified **by engineer, an architect and a chartered accountant in practice.**
- The promoter also has to gets his accounts audited within 6 months after the end of financial year by a CA in practice and shall produce statement of accounts and it shall be verified during the course of audit that the amount collected for a particular project have been used for such project and withdrawals are in compliance with proportion to percentage completion of project.

## Monitoring of REP:

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### **'Land Cost' shall include:**

- The costs incurred by promoter for acquisition of ownership and title of the land parcels proposed for the real estate project, including lease charges, interest costs, which shall also include OH cost, marketing and/or brokerage costs, legal cost and supervision cost;
- Any security deposits, payments payable to land owners in connection with JDA;
- Amount paid for acquisition of TDR's in accordance with applicable laws;
- Consideration payable to outgoing developer to relinquish ownership and title rights over land parcel forming part of real estate project
- Amounts payable to State Government or Competent Authority or any other Statutory Authority of the State or Central Government, towards Stamp Duty, Transfer charges, Registration fees, land/zone change conversion charges, NALA charges, any taxes in relation to the land etc.

**'Cost of Construction' shall include:**

- all such costs, incurred by the Promoter, towards the on-site and off-site expenditure for the development of the Real Estate project such as mobilization advances to contractors, procurement advances to vendors, construction equipment, site preparations and so on and onsite and offsite construction activities, payments/ instalments to local authority, and all other items of expenditure for the construction, marketing and sale of the project
- Fees, Charges, Interest etc and taxes and penalties to any competent authority or statutory or local authority of the central or state government under any laws or rules or regulations for the time being in force
- Principal Sums and Interest, paid or payable to any financial institutions including scheduled banks or non-banking financial companies etc or any lender for the real estate project

# **Functions and Duties of Promoter**

## Functions and Duties of Promoter:

- ❑ The promoter after granting registration has to login and create web page and disclose all the details for public viewing, including:
  - Details of registration granted by RERA
  - Quarterly up to date the list of number and type of apartments or plots, as the case may be
  - Quarterly up to date the list of approvals taken and approvals which are pending subsequent to commencement
  - Quarterly up to date status of projects
- ❑ The advertisement/prospectus shall prominently disclose the website URL where above data is disclosed and the registration number allotted to project
- ❑ The promoter at the time of booking and issue of allotment letter shall be responsible to make available the allottee sanctioned plans, layout plans, along with specifications by display at the site or other appropriate place and stage wise time schedule of completion of project.

## Functions and Duties of Promoter:

### **The promoter shall:**

- Responsible for all obligations, responsibilities and functions under the act or rules till conveyance of apartments to allottees or common areas to association of allottees [However, in case of structural defect or any other defect in workmanship, quality or provision of services or any other obligations of promoter as per AOS relating to such development is brought to notice of promoter within 5 years from the date of handing over of possession, the promoter shall rectify such defect within 30 days and in event of failure, the allottee is eligible for compensation as determined in the rules – Section 14(3)]
- Responsible to obtain CC or OC or both as applicable and make it available to allottees individually or to association of allottees
- Responsible for providing and maintaining essential services on reasonable charges, till taking over the maintenance of project by the association of allottees

## Functions and Duties of Promoter:

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### **The promoter shall:**

- Enable the formation of association or society or co—operative society as the case may be of allottees or a federation of the same (in absence of local laws, the association of allottees shall be formed within 3 months of majority of allottees having booked their flats)
- Execute a registered conveyance deed of the apartment, plot or building in favour of the allottee along with undivided proportionate title in the common areas to the association of allottees within 3 months from the date of OC.
- 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 time being in force, it shall not affect the right and interest of allottee



## Functions and Duties of Promoter:

### **The promoter shall:**

- Shall not accept a sum more than 10% of cost of the apartment, plot or building as an advance payment or an application fee from a person without first entering into written AOS and register the said AOS under any law for the time being in force – Section 13.
- The promoter cannot make any additions and alterations in the sanctioned plans, layout plans and specs and the nature of fixtures, fittings and amenities in respect of the apartment without previous consent to  
For the purposes 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 wall, partition, column, beam, joist, floor including a mezzanine floor or other support, or a change to or closing of any required means of access ingress or egress or a change to the fixture or equipment.
- Any other additions or alterations in the project will require prior written consent of at least 2/3rd of allottees – Section 14.

## Functions and Duties of Promoter:

- If the promoter fails to complete or is unable to give possession of an apartment, plot or building in accordance with the terms of AOS or due to discontinuance of his business as a developer on account of suspension or revocation of the registration under the Act, 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**
- The promoter shall compensate the allottees in case of any loss caused to him due to defective title of the land, on which the project is being developed or has been developed, in the manner as provided under this Act, and the claim for compensation under this act and **the claim for compensation under this subsection shall not be barred by limitation** provided under any law for the time being in force.

## Functions and Duties of Promoter:

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- The promoter shall obtain all such insurances as may be notified by the Appropriate Government, including but not limited to insurance in respect of title of land and building as a part of REP and construction of REP.
- The promoter shall be liable to pay premium and charges on such insurance and shall pay the same before transferring the insurance to association of allottees . The insurance shall stand transferred to benefit of allottee or association of allottees, as the case may be, at time when promoter is entering an AOS with allottee.

# **Obligations of Promoter - Transfer of REP to Third Party**

## Obligation of Promoter in case of Transfer of REP:

- The promoter cannot transfer or assign his majority rights and liabilities in a real estate project to a third party without obtaining prior written consent of 2/3<sup>rd</sup> of allottees (except promoter) and without prior written approval of RERA.
- Such transfer or assignment shall not affect the allotment or sale of apartments, plots or buildings as the case may be, in the real estate project made by erstwhile promoter.
- Post such transfer or assignment, the intending promoter shall be required to be independently comply with all pending obligations as per AOS entered by erstwhile promoter.
- The transfer or assignment cannot result in extension of time to intending promoter to complete the project and the intending promoter shall be liable for consequences for breach or delay.

# **Rights of Promoter**

## Rights of Promoter:

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- To receive payments, share of allottee at proper time and place, the share of registration charges, ground rent and other charges, if any within the time as specified in the AOS under Section 13 of Act read with Section 19(6) of Act.
- For interest at such rate as may be prescribed for any delay in payment of any charges or any amount payable under Section 19(6) of Act.
- The promoter can approach the adjudicating authority for compensation if the allottee fails to pay the amounts under Section 19 of the Act.
- To demand participation of the allottee in the formation of association and in the registration of conveyance deed as per Section 19(9) read with Section 11.

## Rights of Promoter:

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- To demand taking physical possession within 2 months from the date of occupancy/completion certificate as per Section 19(10).
- To cancel the allotment in terms of AOS as per Section 11(5). Please note that the allottee can approach the authority if the cancellation is not in terms of AOS.
- To file an appeal to Appellate Tribunal or High Court against order of RERA as per Section 58 of the Act.



# **Offences & Penalties - Promoter**

## Offences & Penalties:

Offence	Penalty (Maximum)	Imprisonment	Section
If the project is not registered under Section 3	10% of the estimated cost of real estate project	-	59(1)
If promoter does not comply with orders/decisions/directions issued and continues to violate Section 3	further 10% of the estimated cost of real estate project	May extend to a period of 3 years or both	59(2)
If promoter provides false info or contravenes provision of Section 4	5% of the estimated cost of real estate project	-	60
General Penalty – For other than contraventions pertaining to Sec 3 & 4	5% of the estimated cost of real estate project	-	61
If promoter fails to comply with the orders of RERA	Every day of default which may extend to 5% of the estimated cost of real estate project	-	63

## Offences & Penalties:

Offence	Penalty (Maximum)	Imprisonment	Section
If promoter fails to comply with orders or contravenes orders/decisions/directions of Appellate Tribunal	Every day of default which may extend to 10% of the estimated cost of real estate project	Extend up to 3 years or both	64
Offences by Companies	Every person, who at the time, the offence was committed was in charge of, or was responsible to the company for conduct of, business of company, as well as company, shall be deemed to be guilty of offence and shall be liable to be proceeded against and punished accordingly. Proviso is in place to safeguard the innocent officers or officers who have exercised due-diligence to prevent the commission of such offence.		69

Section 70 - Any person is punished with imprisonment under this Act, the punishment may either before or after the institution of the prosecution, be compounded by court on such terms and conditions and on payment of such sums as may be prescribed. Provided that the maximum amount payable cannot exceed the maximum penalty under this act.

# **Rights and Duties of Allottees**

## Rights and Duties of Allottees:

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- 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.
- 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
- The allottee shall be entitled to claim the **possession of apartment**, plot or buildings, 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

## Rights and Duties of Allottees:

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- Every allottee, who has entered into an agreement for sale to take an apartment, plot or building, **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
- 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 as mentioned above. The obligation and liability can be reduced after mutual discussion.
- 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

## Rights and Duties of Allottees:

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- 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.

# **Complaints to RERA or AO & Appellate Procedure**



## Complaints to RERA or AO:

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- Any aggrieved person may file a complaint to RERA or AO for any violation or contravention of provisions of the act or rules and regulations made against promoter, allottee or real estate agent.
- An appeal can be preferred by the appropriate government, competent authority or any aggrieved person before Appellate Tribunal within 60 days from the date of receipt of such order or decision. The appellate tribunal has power to condone the delay if there was a sufficient cause for not filing the appeal within 60 days.
- An appeal against the order of appellate tribunal shall be before High Court and the same has to be filed within 60 days from the date of receipt of tribunal's order. The High Court has power to condone, if there is delay in filing the appeal.

At

***SBS HYDERABAD***

***Thank you!!!***

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