



### Article

#### RERA – New reform for promoters

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## *Stringent compliance to be followed by Promoters (Developers, Builders, etc.)*

### History

Section 20 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as “RERA”) mandates all the States and Union Territory to establish a Real Estate Authority within one year from date of the commencement of the Act. Pursuant to the section 85 read with 20(1) of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred as “RERA”), in exercise of the power conferred to the Maharashtra Government, the Maharashtra Real Estate Authority (hereinafter referred to as “MahaRERA”) was formulated with the enactment of Maharashtra Real Estate Regulatory Authority (General) Regulations 2017.

RERA is evidencing to be a boom to the promoters, as there were no specific laws were in place, which had governed the entire procedure and system of the Real Estate sector. RERA not only requires the promoters to register their ongoing and upcoming projects, but also has to ensure that the Real Estate Agents working in their projects have also registered with the authority. All the promoters having their projects in Maharashtra have to registered with the MahaRERA authority. Further, the registration number will not be valid outside Maharashtra.

### Registration Procedure of Promoter and the Real Estate Projects:

Maharashtra Real Estate (Regulation and Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017 gives the detailed procedure of the compliance to be done by promoters and real estate projects. Section 4(3) of RERA requires the Authority to operationalize a web based online system for submitting an application for registration of projects within one year from the establishment of the authority. All the projects are required to be registered with the MahaRERA individually.

### **Quick highlights of the Registration procedure of Promoters:**

- In case of non-availability of online registration, application for registration of the real estate projects to be made in Form ‘A’ and in writing by promoter or by his authorised representatives, who is authorised by the Authority Letter or Board resolution as the case maybe. Application to be submitted in triplicate.
- Fees should be calculated at the rate of Rs. 10 per sq. mtr of the proposed land subject to the minimum Rs. 50,000/- and maximum fees of Rs. 10 Lakhs
- Fees to be paid online through NEFT or RTGS system or any other digital transaction mode
- Declaration supported with affidavit to be submitted in Form B
- In case if the promoter is planning to withdraw its application for the registration, he can apply for withdrawal before the expire of 30 days from the application made to the concerned authority.
- In case of the rejection of the application, Authority to inform to the applicant about the rejection of the application in Form “D”. However, no application can be rejected unless the promoters has been given an adequate opportunity of being heard by the authority.

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### **Extension procedure of the Real Estate Projects:**

Grant of the extension of the registration of the Real Estate Project is very crucial and important aspect of RERA. While making an application for the registration of the Project, it is mandatory for the promoter to submit the deadlines of the completion of the project and the registration will be valid only till the period as stipulated by Promoter in the application made. Hence, extension of the registration will be granted by the authority only on the valid grounds.

- In case of the extension of the registration, application should be made in Form "E" to the concerned authorities
- Explanatory note stating the ground of delay in the completion of the project, need of the extension, supporting documents and reasons thereof
- If Authority finds it deem fit, they will grant the extension to the Promoter in Form "F"
- Before rejection of the application, promoter should be given an opportunity of being heard. However, in case of the rejection of the extension application, the authority should intimate the promoter in Form "D". The intimation should also be made available to the respective authorities and statutory authorities

### **Following are the list of documents / information to be submitted by the promoters:**

Section 4 of RERA mandates certain documents / information which are required to be submitted by the promoters for building transparency between them and the buyer. The promoters are required to upload the copies of the documents along with the application. This document can be viewed through portal, so that one can cross check the details of the projects with the supporting documents.

- Copy of the PAN card and photograph of the promoter
- Name and the address of the promoters. In case, if there is an authorised person representing on behalf of the promoter, then either authority letter or Board Resolution authorizing such person to apply on behalf of the Promoter
- Copy of legal title of the premises
- Brief details of the projects launched by the promoters in last five years, including the current status of ongoing projects
- Authenticated copies of approvals and completion certificates for the real estate projects as mentioned in the application
- Sanctioned plan, Layout plan and specification of the proposed projects
- Location of the project with clear demarcation
- Proforma of the allotment letter, agreement for sale and conveyance deed

**Note:**  
*Above mentioned list of documents / information is tentative list and as per the Act and Regulations. Additional list of documents may be asked for verification by the Authority depending upon the application made to the authority by the promoters.*

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### **Quick highlights on the compliances of the Promoters:**

Before RERA, there was handful compliance to be done by the promoters in this sector. With the enactment of RERA, there is stream line in the registration procedure, disclosure requirement and the compliance thereafter. Promoters are entrusted with not only the compliance of their business but also to ensure the compliance of the Real Estate Agents working in their projects.

After the successful registration, promoters are required to create the webpage on the website of MahaRERA and to upload all the details of the proposed project. Quarterly updates on the list of apartments or plots; garage; status on the approvals obtained and pending after getting completion certificate; update status of the project. Promoters are responsible for all the obligations, responsibilities and function under the Act or Rules and Regulation. Further, he is also responsible for the compliance with the terms and condition of the agreement for sale with buyer.

Promoters should ensure the compliance to be followed by the Real Estate Agents under the Act. Promoters should also ensure the compliance to be followed by the employees, consultant, or sub-broker working under the Real Estate Agents.

### **Criteria which are looked by Authority for accepting the registration application:**

There is various benchmark based on which authority can consider your application as deemed fit to accept for registration. Promoters are required to submit the details of the projects launched by the promoters in past five years. This information will help the authority to decide the facts and grounds to approve the registration.

Further, many other facts like profits of the organization; background of the directors, partners who are connected with the promoters; litigation against the organization and promoters; turnover; legal title of the premises; etc. are certain criteria which can be deciding factor for the authority to sanction the approval of the promoters to register the projects.

### **Conclusion:**

Interest of the buyers are expected to be safeguard to the great extent after the enactment of RERA act and constitution of the Authorities under MahaRERA. Lot of procedural steps for the registration and the ongoing compliance of promoters and real estate agents will be transparent with the buyer as these details will be made available on the website of MahaRERA and of the promoters.

This is the new beginning, many of the financial sectors are expected to invest in real estate business as most of the business will be carried out with more transparency and with the knowledge of the buyer. Further, RERA will also streamline the activities of the promoters.

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