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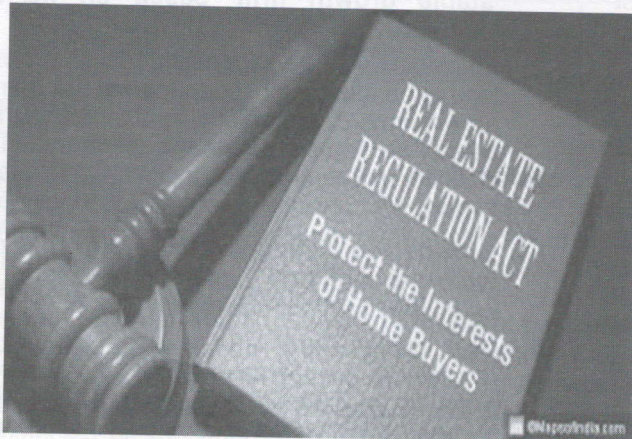
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Day 1:



### What is the RERA (Real Estate Regulatory Act) and when it came in to force?

The Real Estate (Regulation and Development) Act, 2016 (RERA), was Introduced in the year 2016. And all its provisions came into effect, from May 1, 2017.

#### Core Objective of Introducing RERA :-

The core objective of introducing RERA is to protect buyers from getting misled in hands of real estate builders and agents. Thus, for their advanced investment protection buyers should invest in those projects which have individual RERA registration numbers. Finally, property buyers have got an effective legal redressal platform to file complaints against builders'/agents' deception. RERA will take stringent steps against those builders/agents if found at fault under its investigation.

#### Which projects come under RERA / Registration of Projects under RERA :

1. Commercial and residential projects including plotted development.
2. Projects measuring more than 500 sq mts or 8 units.

3. Projects without Completion Certificate, before commencement of the Act.
4. The project is only for the purpose of renovation / repair / re-development which does not involve re-allotment and marketing, advertising, selling or new allotment of any apartments, plot or building in the real estate project, will not come under RERA.
5. Each phase is to be treated as standalone real estate project requiring fresh registration.
6. RERA is only applicable on development of property and not on renting of property.
7. RERA covers all residential and commercial projects, including shops, offices and buildings.

Before discussing in detailed about Objectives, Roles and Responsibilities, Penalties for Non comply with RERA Act.

We Discuss about How Real Estate Regulatory Authority will be established and Role and Functions, Powers of Real Estate Regulatory Authority and Registration Process under RERA.





### Establishment & Incorporation of Real Estate Regulatory Authority

Every State Govt. shall, within a period of 1 year from the date of coming in force of this Act, establish an Authority to be known as the Real Estate Regulatory Authority to exercise the powers conferred & perform the function assign to it by this Act.

**The State/UT Govt. may also establish one or more Real Estate Regulatory Authority in the State or UT.**

Until the establishment of RERA, the State Govt. shall designate any Regulatory Authority (like DDA, GDA, GNDA) or any officer preferably the Secretary of the department dealing with Housing, as the Regulatory Authority for the purposes under this Act.

The Authority shall be a Body Corporate having name as aforesaid, having perpetual succession and common seal with power subject to the provisions of this Act to acquire, hold and dispose of property both movable and immovable, and contract, and shall by the said name sue or be sued.

### Functions of Real Estate Regulatory Authority for promotion of Real Estate Sector

In order to facilitate the growth and promotion of a healthy, transparent, efficient and competitive real estate sector, the Authority shall make recommendation to the Govt. on the below related areas:

- a) Protection of the interest of allottees, promoter and real estate agent;
- b) Creation of single window system for ensuring time bound project approvals and clearances for timely completion of the projects;
- c) Creation of transparent and robust grievance redressal system against acts, omission and commission of competent authorities and its officials;
- d) Measures to encourage investments in real estate sector including measures to increase financial assistance for affordable housing segment;
- e) Measures to encourage construction of environmentally sustainable and affordable

housing, promoting standardization and use of appropriate construction materials, fixtures, fittings and construction techniques;

- f) Measures to encourage grading of projects on various parameters of development including grading of promoters;
- g) Measures to facilitate amicable resolution of disputes between promoters and allottees through disputes settlement forums set up by the consumer or promoter associations;
- h) Measures to facilitate digitization of land records and system towards conclusive property titles with title guarantee;
- i) To render advice to the Govt. in the matters relating to the development of real estate sector;
- j) Any other issue that the Authority may think necessary for the promotion of real estate sector;
- k) To give its opinion to the Govt. on any matter having possible effect on real estate sector, within 60 days of receipt of such reference from Govt.

### Powers of Real Estate Regulatory Authority

1. To call for information and conduct investigations into the affairs of any Promoter or real estate agent or allottee and examination of their books of accounts, records and documents;
2. To have all the powers as are vested in the civil court under CPC, 1908 during examination of suit;
3. To issue interim orders during any inquiry to restrain any Promoter or real estate agent or allottee from carrying out such Act which are in contravention to the provisions of this Act;
4. To issue necessary directions from time to time to any Promoter or real estate agent or allottee for the purpose of discharging its function under the provisions of this Act;
5. To impose penalty or interest on any Promoter or real estate agent or allottee for doing such Act which are in contravention to the provisions of this Act;



6. To refer any matter to Competition Commission of India which has the effect of market power of monopoly situation being abused against the interest of allottees.
7. To rectify/amend any of its order within 2 years for any mistake apparent from the record;
8. To recover from any Promoter or real estate agent or allottee the amount of interest or penalty or compensation as land revenue, who fails to pay these amounts.



#### Registration Process Under RERA:

Here is the bird-view of Registration process under RERA Act:

#### Registration of Projects under RERA

All commercial and residential real estate projects will have to register by submitting documents along with the prescribed fees except in projects where:

1. The promoter has received completion certificate of the project prior to commencement of Act
2. The area of land proposed to be developed does not exceed 500 sq. mt
3. The number of apartments is not more than 8
4. Any repair or renovation of an existing building or structure that does not require marketing, advertising and selling of any apartment or plot.

**Reserve account:** One of the primary reasons for delay of projects was that funds collected from one project, would invariably be diverted to fund new, different projects. To prevent such a diversion, promoters are now required to park 70% of all project

receivables into a separate reserve account. The proceeds of such account can only be used towards land and construction expenses and will be required to be certified by a professional (Practicing CMA's, CA's, CS's).

**Continual disclosures by promoters:** After the implementation of the Act, home buyers will be able to monitor the progress of the project on the RERA website since promoters will be required to make periodic submissions to the regulator regarding the progress of the project.

**Title representation:** Promoters are now required to make a positive warranty on his right title and interest on the land, which can be used later against him by the home buyer, should any title defect be discovered. Additionally, they are required to obtain insurance against the title and construction of the projects, proceeds of which shall go to the allottee upon execution of the agreement of sale.

**Standardisation of sale agreement:** The Act prescribes a standard model sale agreement to be entered into between promoters and homebuyers. Typically, promoters insert punitive clauses against home buyers which penalised them for any default while similar defaults by the promoter attracted negligible or no penalty. Such penal clauses could well be a thing of the past and home buyers can look forward to more balanced agreements in the future.

**Penalty:** To ensure that violation of the Act is not taken lightly, stiff monetary penalty (up to 10% of the project cost) and imprisonment has been prescribed against violators.

#### Documents required for registration under RERA

The following documents are required to be submitted in triplicate:

- PAN Card of the builder
- ITR of last 3 years and the balance sheet of the builder
- Builder must clarify about the apartment (carpet area, number of floors, parking space)
- Declaration by the builder of having legal title of the land with proof



- Details of the land (rights, title, mortgage)
- If the builder is not the owner of the land, the consent letter of the actual owner with documents will be required
- Details of the project (location, sanctioned plan, layout plan)
- Ownership documents (proforma of allotment letter, agreement of sale)
- Information of the persons involved (Architects, Engineers and others)
- Annual audit of project accounts by a CA.
- Conveyance deed for common area in favour of RWA.
- Construction and land title insurance.
- Project completion time period.



### Step By Step Registration Process:

#### STEP 1 PROMOTER DETAILS:

1. Promoter details: Type of promoter Name, Pan No., Email, Mob. No., Address, Company Reg. No., etc.
2. Authorized signatory: Name, Email, Mobile Number, Address, photograph.
3. Project head: Name, Email, and Mobile Number., Address, photograph.
4. RERA Reg. No. Earlier: If applicable of other state or other project.
5. Previous project Detail: Last five Years: Project

name, project description, Address (Nil document to be uploaded in case of new promoter)

#### STEP 2 PROJECT DETAILS: FOR REGISTRATION

Project Name, Project Description, Project Type, Project Status, Project Starting Date and project End Date, Total Area of Land, Total Open Area, Total Covered area, Project Address, Authority, Physical Application Submission Office, Application No. Garage Available for Sale, Total Area of Garage, No. of Open Parking, Area of Open Parking, No. of Covered Parking, Total Area of cover Parking, Estimated cost of construction, Land Cost(IRS), Total Project Cost.

#### Development Details for Registration

Type of Inventory, No. of inventory Available for Sale, Carpet Area (sq.mtr.), Area of exclusive balcony/verandah(sq.mtr.), Area of exclusive open terrace (sq.mtr.).

#### Internal Development Work for Registration

Road system, Water Supply, Sewage and Drainages, Electricity supply, Solid Waste Management

#### Project Bank Details for Registration

Bank Detail, Branch Name, Account Number, IFSC code.

#### Project Agent Detail for Registration if Applicable

Agent Registration No. of RERA, Agent Name, Agent Address.

#### Project Architect Detail for Registration

Name, Email Id, Address, No. of key Projects completed, Reg. No. With COA.

#### Project Structural Engineer Detail for Registration

Name, Email Id, Address, No. of key Projects completed, Local Authority License No.

#### Project Contractor Detail for Registration

Name, Email Id, Address, No. of key Projects completed, Year of Establishment.

**STEP: 3** is to uploading of Project Documents (a complete list is provided in RERA website)

**STEP : 4** is payment of online fees