

# **Study Course on Law Applicable to Real Estate And Redevelopment.**

## **WIRC OF ICAI**

17<sup>th</sup> November, 2017 to 25<sup>th</sup> November, 2017

**Venue:** ICAI Tower, Plot No. C-40,  
'G' Block, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

# **REAL ESTATE REGULATORY AUTHORITY CERTIFICATION / AUDIT AND REGULAR WEBSITE UPDATE**



**CA HEMANT G JOSHI**

**25/11/2017**

**BIRD'S EYE VIEW OF :**

<b>SR. NO.</b>	<b>PARTICULARS</b>	<b>WITH EFFECT FROM</b>
1	THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016	01/05/2016 & 01/05/2017
2	THE MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY	08/03/2017
3	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	20/04/2017, with effect from date of Notification of relevant provisions of RERA Act, 2016
4	APPLICABLE FORMS OF 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	20/04/2017, with effect from date of Notification of relevant provisions of RERA Act, 2016

**BIRD'S EYE VIEW OF :**

<b>SR. NO.</b>	<b>PARTICULARS</b>	<b>WITH EFFECT FROM</b>
5	MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY, CHAIRPERSON, MEMBERS OFFICERS AND OTHER EMPLOYEES (APPOINTMENT AND SERVICE CONDITIONS) RULES, 2017	17/04/2017
	MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY (FORM OF ANNUAL STATEMENT OF ACCOUNTS AND ANNUAL REPORT) RULES, 2017	18/04/2017
	MAHARASHTRA REAL ESTATE (REGULATION AND DEVELOPMENT) (RECOVERY OF INTEREST, PENALTY, COMPENSATION, FINE PAYABLE, FORMS OF COMPLAINTS AND APPEAL, ETC.) RULES, 2017	19/04/2017
	MAHARASHTRA REAL ESTATE APPELLATE TRIBUNAL, OFFICERS AND EMPLOYEES (APPOINTMENT AND SERVICE CONDITIONS) RULES, 2017	20/04/2017
	MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY (RECRUITMENT AND CONDITIONS OF SERVICE OF EMPLOYEES) REGULATION, 2017	24/04/2017
6	MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY (GENERAL) REGULATIONS, 2017	24/04/2017
7	GR. REA 2017/CR NO.79/DVP-2, FOR APPOINTMENT OF CHAIRPERSON & MEMBERS OF THE MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY	17/05/2017

1. THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016 , NO. 16 OF 2016,  
(Act of Parliament, received assent of the President on 25<sup>th</sup> March 2016 & published by Notification dated 26<sup>th</sup> March 2016, in the official Gazette by Ministry of Law & Justice Government of India & provisions of the said Act came into force, by Notification dated 26/04/2016 & 19/04/2017, issued by Ministry of Housing & Urban Poverty Alleviation, Government of India.

CHAPTER	SUBJECT	SECTIONS	PROVISIONS OF THE ACT COME INTO FORCE FROM
CHAPTER I	<b>Preliminary</b>	<b>Section 1</b>	<b>01/05/2016</b>
<b>CHAPTER I</b>	<b>Preliminary</b>	<b>Section 2</b>	<b>01/05/2016</b>
CHAPTER II	Registration Of Real Estate Project And Registration Of Real Estate Agents	Section 3 to 10	01/05/2017
CHAPTER III	Functions And Duties Of Promoter	Section 11 to 18	01/05/2017
CHAPTER IV	Rights And Duties Of Allottees	Section 19	01/05/2017
<b>CHAPTER V</b>	<b>The Real Estate Regulatory Authority</b>	<b>Section 20 to 39</b>	<b>01/05/2016</b>
CHAPTER V	The Real Estate Regulatory Authority	Section 40	01/05/2017
<b>CHAPTER VI</b>	<b>Central Advisory Council</b>	<b>Section 41 &amp; 42</b>	<b>01/05/2016</b>
<b>CHAPTER VII</b>	<b>The Real Estate Appellate Tribunal</b>	<b>Section 43 to 58</b>	<b>01/05/2016</b>
CHAPTER VIII	Offences, Penalties And Adjudication	Section 59 to 70	01/05/2017

CHAPTER	SUBJECT	SECTIONS	PROVISIONS OF THE ACT COME INTO FORCE FROM
<b>CHAPTER VIII</b>	<b>Offences, Penalties And Adjudication</b>	<b>Section 71 to 72</b>	<b>01/05/2016</b>
<b>CHAPTER IX</b>	<b>Finance, Accounts, Audits And Reports</b>	<b>Section 73 to 78</b>	<b>01/05/2016</b>
CHAPTER X	Miscellaneous	Section 79 to 80	01/05/2017
<b>CHAPTER X</b>	<b>Miscellaneous</b>	<b>Section 81 to 92</b>	<b>01/05/2016</b>

## 2. THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016 ,

(Government of Maharashtra, Housing Department, vide Notification No. REA.2017/C.R. 79/DVP-2, dated 08/03/2017, establishes for the State of Maharashtra, the Authority to be Known as " The Maharashtra Real Estate Regulatory Authority", with its headquarters at Mumbai.

3. THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016 ,

(Government of Maharashtra Housing Department, vide Notification No. REA 2016/CR NO.79/DVP-2, dated 20/04/2017, published following "Rules", as under.

CHAPTER	SUBJECT	RULES	BRIEF DESCRIPTION
CHAPTER I	Preliminary	RULE 1	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
CHAPTER I	Preliminary	RULE 2	These Above "Rules" Shall Come Into Force On The Date Of Their Publication In The Official Gazette, Dated 20/04/2017 - Provided That The Relevant Rules Shall Be Effective From The Date Of Notification Of Commencement Of Relevant Provisions By The Central Government. (Refer RERA Act Of Government Of India)
CHAPTER II	Real Estate Project	RULE 3	Information To Be Furnished By The Promoter For The Registration Of Real Estate Project
CHAPTER II	Real Estate Project	RULE 4	Disclosure By Promoter Of Ongoing Real Estate Projects

CHAPTER	SUBJECT	RULES	BRIEF DESCRIPTION
CHAPTER II	Real Estate Project	RULE 5	Withdrawal Of Amounts Deposited In Separate Account (Refer <a href="#">Circular No 3/2017</a> dated 07/06/2017 "Self Declaration to be submitted by Promoters to Bank")
CHAPTER II	Real Estate Project	RULE 6	Grant Or Rejection Of Registration Of The Project
CHAPTER II	Real Estate Project	RULE 7	Extension Of Registration Of The Real Estate Project
CHAPTER II	Real Estate Project	RULE 8	Revocation Of Registration Of The Project.
CHAPTER II	Real Estate Project	RULE 9	Formation Of Legal Entity And Transfer Of Title (Refer <a href="#">MahaRERA Order No.4</a> , dated 27/06/2017 "Clarification regarding the period within which promoter has to transfer the title by executing conveyance")
CHAPTER II	Real Estate Project	RULE 10	Agreement For Sale
CHAPTER III	Real Estate Agent	RULE 11	Application For Registration By The Real Estate Agent
CHAPTER III	Real Estate Agent	RULE 12	Grant Of Registration To The Real Estate Agent Or Rejection Of Registration.-
CHAPTER III	Real Estate Agent	RULE 13	Renewal Of Registration Of Real Estate Agent
CHAPTER III	Real Estate Agent	RULE 14	Obligations Of Registered Real Estate Agents



<b>CHAPTER</b>	<b>SUBJECT</b>	<b>RULES</b>	<b>BRIEF DESCRIPTION</b>
CHAPTER III	Real Estate Agent	RULE 15	Revocation Of Registration Of Real Estate Agent
CHAPTER III	Real Estate Agent	RULE 16	Maintenance And Preservation And Production Of Books Of Accounts, Records And Documents.-
CHAPTER III	Real Estate Agent	RULE 17	Other Functions Of A Real Estate Agent
CHAPTER IV	Rate Of Interest Payable By Promoter And Allottee And Timelines For Refund	RULE 18	Rate Of Interest Payable By The Promoter And The Allottee
CHAPTER IV	Rate Of Interest Payable By Promoter And Allottee And Timelines For Refund	RULE 19	Timelines For Refund.
CHAPTER V	Details To Be Published On The Website Of Authority	RULE 20	Details To Be Published On The Website Regarding Real Estate Projects

<b>CHAPTER</b>	<b>SUBJECT</b>	<b>RULES</b>	<b>BRIEF DESCRIPTION</b>
CHAPTER V	Details To Be Published On The Website Of Authority	RULE 21	Details To Be Published On The Website Regarding Real Estate Agents
CHAPTER V	Details To Be Published On The Website Of Authority	RULE 22	Obligation Of The Authority To Ensure Cyber Security Of Its Website
CHAPTER VI	Miscellaneous	RULE 23	Application Of Other Laws Not Barred

4. APPLICABLE FORMS of 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

FORM NO.	BRIEF DESCRIPTION	MAHARERA WEBSITE RULES	PROVISIONS OF THE RERA ACT, 2016
FORM 'A'	Application For Registration Of Project	RULE 3(3)	SECTION 4(1)
FORM 'B'	Declaration, Supported By An Affidavit, Which Shall Be Signed By The Promoter Or Any Person Authorized By The Promoter	RULE 3(6)	SECTION 4(2)(1)
FORM 'C'	Registration Certificate Of Project	RULE 6(a)	SECTION 5 READ WITH RULE 3
FORM 'D'	Intimation Of Rejection Of Application For Registration Of Project / Rejection Of Application For Extension Of Registration Of Project / Revocation Of Registration Of Project	RULE 6(b), RULE 7(2); RULE 8(1)	SECTION 5, SECOND PROVISIO OF SECTION 6, SECTION 7

<b>FORM NO.</b>	<b>BRIEF DESCRIPTION</b>	<b>MAHARERA WEBSITE RULES</b>	<b>PROVISIONS OF THE RERA ACT, 2016</b>
FORM 'E'	Application For Extension Of Registration Of Project	RULE 7(1)	SECTION 5, SECOND PROVISIO OF SECTION 6 & SECTION 7
FORM 'F'	Certificate For Extension Of Registration Of Project	RULE 7(2)	SECTION 5, SECOND PROVISIO OF SECTION 6 & SECTION 7
FORM 'G'	Application For Registration Of Real Estate Agent	RULE 11(2)	SECTION 9(2)
FORM 'H'	Registration Certificate Of Real Estate Agent	RULE 11(1) RULE 12(1)(b)	SECTION 9
FORM 'I'	Intimation Of Rejection Of Application For Registration Of Real Estate Agent / Rejection Of Application For Renewal Of Registration Of Real Estate Agent / Revocation Of Registration Of Real Estate Agent	RULE 12(2), RULE 13(2), RULE 15(2)	SECTION 9
FORM 'J'	Application For Renewal Of Registration Of Real Estate Agent	RULE 13(1)	SECTION 9

<b>FORM NO.</b>	<b>BRIEF DESCRIPTION</b>	<b>MAHARERA WEBSITE RULES</b>	<b>PROVISIONS OF THE RERA ACT, 2016</b>
FORM 'K'	Renewal Of Registration Of Real Estate Agent	RULE 13(2)	SECTION 9
ANNEXURE 'A'	Model Form Of Agreement To Be Entered Into Between Promoter And Allottee(S)	RULE 10(1)	SECTION 13(2)
	Schedule 'A' - Description Of The [Apartment/Plot] And The Garage/Closed Parking (If Applicable) Along With Boundaries In All Four Directions		
	Schedule 'B' - Floor Plan Of The Apartment		
	Annexure – A - Title Report		
	Annexure –B - Authenticated Copies Of Property Card Or Extract Village Forms Vi Or Vii And Xii Or Any Other Revenue Record Showing Nature Of The Title Of The Vendor/Lessor/Original Owner/Promoter To The Project Land)		
	Annexure –C-1 - Authenticated Copies Of The Plans Of The Layout As Approved By The Concerned Local Authority		
	Annexure - C-2 - Authenticated Copies Of The Plans Of The Layout As Proposed By The Promoter And According To Which The Construction Of The Buildings And Open Spaces Are Proposed To Be Provided For On The Said Project		

	Annexure – D - Authenticated Copies Of The Plans And Specifications Of The Apartment Agreed To Be Purchased By The Allottee As Approved By The Concerned Local Authority
	Annexure – E - Specification And Amenities For The Apartment
	Annexure – F - Authenticated Copy Of The Registration Certificate Of The Project Granted By The Real Estate Regulatory Authority

5. THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016 ,

(Government of Maharashtra, Housing Department, vide Notification No. REA 2016/CR NO.79/DVP-2, published in the Maharashtra Government Gazette, hereby makes the following rules

<b>RULES</b>	<b>WITH EFFECT FROM</b>
Maharashtra Real Estate Regulatory Authority, Chairperson, Members Officers and other Employees (Appointment and Service Conditions) Rules, 2017	17/04/2017
Maharashtra Real Estate Regulatory Authority (Form of Annual Statement of Accounts and Annual Report ) Rules, 2017	18/04/2017
Maharashtra Real Estate (Regulation and Development) (Recovery of Interest, Penalty, Compensation, Fine payable, Forms of Complaints and Appeal, etc.) Rules, 2017	19/04/2017
Maharashtra Real Estate Appellate Tribunal, Officers and Employees (Appointment and Service Conditions) Rules, 2017	20/04/2017
Maharashtra Real Estate Regulatory Authority (Recruitment And Conditions Of Service Of Employees) Regulation, 2017	24/04/2017

6. THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016 ,  
(MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY, of Government of Maharashtra, vide MahaRERA.2017/Gen. Regulations/18, dated 24/04/2017, published following "Regulations", as under

<b>REGULATIONS</b>	<b>BRIEF DESCRIPTION</b>
Regulations 1	Short Title, Object, Commencement and Extent - <b>MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY (GENERAL) REGULATIONS, 2017</b>
Regulations 2	Definitions
Regulations 3	Formats of Certificates of Architect, Engineer and Chartered Accountant
Regulations 4	Additional Disclosures by Promoters on the Website and Project site
Regulations 5, 6 & 7	Authority's office, office hours and sittings
Regulations 8 To 11	Language of the Authority
Regulations 12	Authority to have seal of its own
Regulations 13 To 17	Officers of the Authority
Regulations 18 To 23	Meetings
Regulations 24	Adjudication proceedings
Regulations 25	Vacancies, etc., not to invalidate proceedings
Regulations 26	Authorized Representative
Regulations 27 To 28	Orders of the Authority



<b>REGULATIONS</b>	<b>BRIEF DESCRIPTION</b>
Regulations 29 To 31	Commission's records –documentation, inspection, confidentiality and accessibility
Regulations 32 To 34	Interim Orders, investigation, inquiry, collection of information, etc
Regulations 35	Confidentiality
Regulations 36	Review of decisions, directions, and orders
Regulations 37	Continuance of Proceedings after death, etc
Regulations 38	Issue of orders and directions
Regulations 39 To 41	Saving of inherent power of the Authority
Regulations 42	General power to amend/rectify
Regulations 43	Power to remove difficulties
Regulations 44	Extension or abridgement of time prescribed
Regulations 45	Effect of non-compliance
Regulations 46	Costs
Regulations 47 To 48	Administrative Charges and Standard Fees ( <i>Refer <a href="#">MahaRERA/Secretary/Order/15/2017</a> dated 17/04/2017 "Fees for updating of website, database management and maintenance of the website"</i> )

7. THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016 ,

(Government of Maharashtra Housing Department, vide GR. REA 2017/CR NO.79/DVP-2, dated 17/05/2017, for Appointment of Chairperson & Members of the Maharashtra Real Estate Regulatory Authority.)

➤ **WHAT IS THE PURPOSE OF CA CERTIFICATE UNDER RERA ACT, 2016, MAHARERA RULES & MAHARERA REGULATIONS ?**

1. To allow Promoters, to withdraw amount, deposited from separate designated bank account, which were received from allottees, in proportion to the percentage of completion of the project.
2. To levy penalty on the Promoters, for offences under RERA, up to 5% or 10% of the estimated project cost, as per Orders/directions of the RERA Authority.

**PRIMARY LIABILITY**  
**PROMOTER**

<b>SR</b>	<b>OFFENCE</b>	<b>PENALTY</b>
1	Failure to obtain prior registration of the real estate project (violation of section 3)	Penalty up to 10% of the estimated project cost, as determined by the Authority. [section 59 (1)]
2	Failure to comply with orders/ directions under section 59(1) OR Continuing violation of section 3	Imprisonment up to 3 years; and/or Fine up to further 10% of the estimates project cost [section 59(2)]
3	Providing false information; OR Failure to apply for registration under section 4	Penalty up to 5% of the estimated project cost, as determined by the Authority [section 60]

<b>SR</b>	<b>OFFENCE</b>	<b>PENALTY</b>
4	Failure to comply with other provisions (other than section 3 and 4)	Penalty up to 5% of the estimated project cost, as determined by the Authority [ section 61 ]
5	Failure to comply with Authority's Orders/directions	Penalty up to 5% of the estimated project cost, as determined by the Authority [ section 63 ]
6	Failure to comply with Tribunal's Orders/directions	Imprisonment up to 3 years; and / or Fine up to 10% of the estimated project cost [ section 64 ]

**Note : Punishment by way of imprisonment is compoundable under section 70 r.w. Rule 5 of MahaRERA Recovery of Interest Rules, 2017.**

## ➤ **GUIDANCE FROM ICAI**

Guidance Note on Reports or Certificates for Special Purposes (Revised September 2016), issued by The Institute of Chartered Accountants of India.

*Para 11*

*“This Guidance Note can also be applied on the reports or certificates related to historical non-financial information that a practitioner may be called upon to issue from time to time. ICAI, from time to time, issues specific Guidance Notes to provide guidance on certain assurance engagements. While complying with the requirements of those specific Guidance Notes, a practitioner may also draw guidance from the principles enunciated in this Guidance Note”*

➤ **GUIDANCE FROM ICAI**

**Is a chartered accountant allowed to certify estimates ?**

**Certification of Financial Forecast:**

Under **Clause (3) of Part I of Second Schedule to The Chartered Accountants Act, 1949**, a CA in practice is deemed to be guilty of professional misconduct if he permits his name or the name of his firm to be used in connection with an estimate of earnings contingent upon future transactions in a manner which may lead to the belief that he vouches for the accuracy of the forecast.

Further, **Standard on Assurance Engagement (SAE) 3400 “The Examination of Prospective Financial Information”**, provides that the management is responsible for the preparation and presentation of the prospective financial information, including the identification and disclosure of the sources of information, the basis of forecasts and the underlying assumptions.

The auditor may be asked to examine and report on the prospective financial information to enhance its credibility, whether it is intended for use by third parties or for internal purposes.

Thus, while making report on projection, the auditor need to mention that his responsibility is to examine the evidence supporting the assumptions and other information in the prospective financial information, his responsibility does not include verification of the accuracy of the projections, therefore, he does not vouch for the accuracy of the same.

**This SAE is effective in relation to reports on projections/forecasts, issued on or after April 1, 2007.**

➤ **GUIDANCE FROM ICAI**

**Standard on Auditing (SA) 620, using the work of An Auditor's Expert:**

The revised Standard deals with the auditor's responsibilities regarding the use of an individual or organization's work in a field of expertise other than accounting or auditing, when that work is used to assist the auditor in obtaining sufficient appropriate audit evidence. Revised SA 620 also deals with the requirements and application of the aspects relating to determining the need for an auditor's expert, nature, timing and extent of audit procedures, the competence, capabilities and objectivity of the auditor's expert, obtaining an understanding of the field of expertise of the auditor's expert, agreement with the auditor's expert, evaluating the adequacy of the auditor's expert's and reference to the auditor's expert in the auditor's report. This standard should be read in conjunction with SA 500 because Expert's opinion also serves as audit evidence in appropriate cases.

**This SA is effective for audits of financial statements for periods beginning on or after April 1, 2010**

## **THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016**

- CHAPTER II - Registration of Real Estate Project And Registration of Real Estate Agents.
- Section 3 to 10, with effect from 01/05/2017.

## **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.**

- CHAPTER II - Real Estate Project (Section 2(zj) read with Section 2(zn))- with effect from 01/05/2017

<b>MAHARERA RULE</b>	<b>BRIEF DESCRIPTION</b>	<b>REFERENCE OF RERA ACT</b>
Rule 3(1)	Information & Documents.	Section 4(1) & 4(2)
Rule 3(2)	Information of Promoters, Title, Land Rights, encumbrances in respect of the land, FSI/ TDR Layout Plan, Proposed Number of Building , Open Space, Covered Parking Spaces, Common Areas & Amenities, Conveyance of Title, etc.	
Rule 3(3)	FORM A - Application For Registration of Project.	Section 4(1) & 4(2)
Rule 3(4)	Web based Applications for Registration available from Authority.	Section 4(3), therefore, Rule 3(3) do not apply.

<b>MAHARERA RULE</b>	<b>BRIEF DESCRIPTION</b>	<b>REFERENCE OF RERA ACT</b>
Rule 3(5)	Fees for Registration of Real Estate Project @ Rs. 10 per sq mtrs of Land proposed to be developed, OR Minimum of Rs. 50,000/- and Maximum of Rs. 10,00,000/-.	
Rule 3(6)	Declaration by Promoters in FORM B.	Section 4(2)(I)
Rule 3(7)	Withdrawal of Application of Registration of Real Estate Project, within 30 days of its submission to Authority.	Section 5(I)
Rule 3(8)	Land cost in the Real Estate Project.	<a href="#">Section 4(2)(I)(D)</a>
	Cost of Construction in Real Estate Project.	Section 4(2)(I)(D)
	Estimated Cost of the Real Estate Project.	Section 2(v)
Rule 4(1)	Application of Registration (FORM A) by Promoter of Ongoing Real Estate Project, in which, all buildings as per sanctioned plan, have not received Completion Certificate / Occupancy Certificate, from the Competent Authority (e.g MCGM), within a period of three months from the date of commencement of Section 3 of RERA Act, i.e 01/05/2017,)	First Proviso to Section 3(1) & not applicable to Section 3(2)(b)



<b>MAHARERA RULE</b>	<b>BRIEF DESCRIPTION</b>	<b>REFERENCE OF RERA ACT</b>
Rule 4(2)	<p>Disclosure by Promoter of Ongoing Real Estate Projects, giving current status of the Project with the proposed date of completion, supported by :</p> <p>Certificate (in FORM 1) from practicing project Architect, certifying the percentage of completion of construction work of each of the building / wing of the project.</p> <p>Certificate (in FORM 2) Engineer, certifying estimated balance cost to complete the construction work of each of the building / wing of the project.</p> <p>Certificate (in FORM 3) practicing Chartered Accountant, certifying the estimated balance cost to complete the project &amp; balance amount of receivables from the apartments/flats/ premises sold or allotted and in respect of which agreement have been executed and estimated amount of receivables in respect of unsold apartments/flats/premises calculated at the prevailing ASR rate on the date of certificate (As per Annexure A of FORM 3)</p>	Section 4(2)(1)

MAHARERA RULE	BRIEF DESCRIPTION	REFERENCE OF RERA ACT
Rule 4(3)	Disclosure by Promoter of Ongoing Real Estate Projects, giving current status of the Project such as, number of the apartments/plots sold or allotted to the allottees and further disclose the size of the apartment based on carpet area & share of common areas and amenities etc, for the plot buyers.	
Rule 4(4)	The Promoter shall construct and develop real estate project in accordance with the sanctioned plan and layout plans and specifications as approved by the Competent Authorities.	Section 3(2)(c) Explanation
Rule 5 & Explanation I, II, III & IV	Withdrawal of Amounts Deposited In Separate Account (Refer <a href="#">Circular No 3/2017</a> dated 07/06/2017 "Self Declaration to be submitted by Promoters to Bank").	Section 4(2)(I)(D)
Rule 5(i)(a)	Withdrawal of Amounts Deposited In Separate Bank Account, with Scheduled Bank, for new projects, which will be registered after commencement RERA Act, i.e after 01/05/2017.	Section 4(2)(I)(D)

<b>MAHARERA RULE</b>	<b>BRIEF DESCRIPTION</b>	<b>REFERENCE OF RERA ACT</b>
Rule 5(i)(b)	<p>Withdrawal of Amounts Deposited In Separate Bank Account, with Scheduled Bank, for new projects, which will be registered after commencement RERA Act, i.e after 01/05/2017, after submitting,</p> <p>Certificate (in FORM 1) from practicing project Architect.</p> <p>Certificate (in FORM 2) Engineer.</p> <p>Certificate (in FORM 3) practicing Chartered Accountant.</p>	Section 4(2)(I)(D)
Rule 5(ii) & Proviso for 100% deposits in case of Estimated cost of completion of the project is less than estimated receivable of the Ongoing projects	<p>Withdrawal of Amounts Deposited In Separate Bank Account, with Scheduled Bank, for Ongoing projects, (which will be registered after commencement RERA Act, i.e after 01/05/2017), after submitting,</p> <p>Certificate (in FORM 1) from practicing project Architect.</p> <p>Certificate (in FORM 2) Engineer.</p> <p>Certificate (in FORM 3) practicing Chartered Accountant.</p>	First Proviso to Section 3(1) & Section 4(2)(I)(D)

## REGULATIONS OF MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY:

### MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY (GENERAL) REGULATIONS, 2017

MAHARERA REGULATION	BRIEF DESCRIPTION	REFERENCE OF RERA ACT & MAHARERA RULES
Regulations 3 (FORM 1, FORM 2, FORM 3 & FORM 4 - Certificate from Project Architect on completion of the building / wing of the real estate project)	Formats of Certificates of Architect, Engineer and Chartered Accountant	- Ongoing projects Rule 4(2) & Section 4(2)(1). Rule 5(ii) & Proviso for 100% deposits in case of Estimated cost of completion of the project is less than estimated receivable of the Ongoing projects & First Proviso to Section 3(1) & Section 4(2)(I)(D)

MAHARERA REGULATION	BRIEF DESCRIPTION	REFERENCE OF RERA ACT & MAHARERA RULES
Regulations 3 (FORM 1, FORM 2, FORM 3 & FORM 4 - Certificate from Project Architect on completion of the building / wing of the real estate project)	Formats of Certificates of Architect, Engineer and Chartered Accountant.	- New projects Rule 5(i)(a), Rule 5(i)(b) & Section 4(2)(I)(D)
Regulations 4 & Explanation 1 & 2	Additional Disclosures by Promoters on the Website and Project site.	Section 11(1) (Refer <a href="#"><u>Circular No 08/2017</u></a> dated 17/07/2017 "SOP for Updating and Revising-Correction Information with respect to Registered projects and Registered Real Estate Agents"). & Rule 3(1) & Rule 3(2)

MAHARERA REGULATION	BRIEF DESCRIPTION	REFERENCE OF RERA ACT & MAHARERA RULES
Regulations 4 & Explanation 1 & 2	Additional Disclosures by Promoters on the Website and Project site. <a href="#">FORM 5</a> - ANNUAL REPORT ON STATEMENT OF ACCOUNTS, certified by STATUTORY AUDITOR of the PROMOTER. Whether FORM 5, is to be submitted for the Annual Accounts for the year ending on 31/03/2017 ??	Third proviso to Section 4(2)(I)

## **FORM - 3**

### **(Regulation 3)**

## **CHARTERED ACCOUNTANT'S CERTIFICATE**

(FOR REGISTRATION OF A PROJECT AND SUBSEQUENT WITHDRAWAL OF MONEY)

(Refer [Circular No 07/2017](#) dated 04/07/2017 "Clarification on CA Certificates").

## **Particulars of FORM 3**

### **1. i. Land Cost**

- a. Acquisition Cost of Land

Acquisition of Development Rights

Lease Premium / Lease Rent

Interest cost incurred or payable on Land Cost

Legal cost

***Overhead cost, marketing cost, legal cost and supervision cost (Rule 5 Explanation I of MahaRERA Rules)***

- b. Amount of Premium payable to obtain:-

Development Rights/ Redevelopment Rights

FSI/Additional FSI/Fungible FSI

Any other incentive under DCR from Local Authority or State Government or any Statutory Authority

- c. Acquisition cost of TDR (if any)

- d. 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 etc ; and



- e. Land Premium payable as per annual statement of rates (ASR) for redevelopment of land owned by public authorities.
- f. Under Rehabilitation Scheme :
  - (i) Estimated construction cost of rehab building including site development and infrastructure for the same as certified by Engineer.
  - (ii) Actual Cost of construction of rehab building incurred as per the books of accounts as verified by the CA.

**Note : (for total cost of construction incurred, Minimum of (i) or (ii) is to be considered).**

- (iii) Cost towards clearance of land of all or any encumbrances including cost of removal of legal/illegal occupants, cost for providing temporary transit accommodation or rent in lieu of Transit Accommodation, overhead cost,
- (iv) Cost of ASR linked premium, fees, charges and security deposits or maintenance deposit, or any amount whatsoever payable to any authorities towards and in project of rehabilitation

- g. *Consideration payable to the outgoing developer to relinquish the ownership and title rights over such land parcels.*

**(Rule 5 Explanation I of MahaRERA Rules)**

**Sub-Total of LAND COST\*\***

*\*\* Where the promoter, due to inheritance, gift or otherwise, is not required to incur any cost towards acquisition of ownership and title of the land parcels proposed for the real estate project, the cost of land shall be reckoned on basis of the value of the land as ascertained from the ASR prepared under the provisions of the Maharashtra Stamp Act, relevant on the date of registration of the real estate project. (OR ASR value as on first commencement certificate, issued for such land, whichever is earlier - Refer [Circular No 07/2017](#) dated 04/07/2017 "Clarification on CA Certificates"*

**(Rule 5 Explanation II of MahaRERA Rules)**

***\*\*Land cost as per ASR as at 01/04/2001, is to be indexed as per cost inflation index, with base year 2001 to the year in which, such land is used for real estate project & such real estate project is registered or first commencement certificate, is issued for such land, whichever is earlier.***

*(Refer [Circular No 07/2017](#) dated 04/07/2017 "Clarification on CA Certificates").*

## **ii. Development Cost/ Cost of Construction:**

- a. (i) Estimated Cost of Construction as certified by Engineer
- (ii) Actual Cost of construction incurred as per the books of accounts as verified by the CA.

**Note : (for adding to total cost of construction incurred, Minimum of (i) or (ii) is to be considered).**

- (iii) On-site expenditure for development of entire project excluding cost of construction as per (i) or (ii) above, i.e. salaries, consultants fees, site overheads, development works, cost of services (including water, electricity, sewerage, drainage, layout roads etc.), cost of machineries and equipment including its hire and maintenance costs, consumables etc. All costs directly incurred to complete the construction of the entire phase of the project registered.

*(Annexure A of FORM 2 - Certificate of Engineer, with list of extra/additional items executed with cost)*

- b. Payment of Taxes, cess, fees, charges, premiums, interest etc. to any statutory Authority.

- c. (Principal sum of loan shall be reflected in brackets) (Refer [Circular No 07/2017](#) dated 04/07/2017 "Clarification on CA Certificates")

Interest payable to financial institutions, scheduled banks, non-banking financial institution (NBFC) or money lenders on construction funding or money borrowed for construction.

**(Rule 5 Explanation III of MahaRERA Rules)**

**Sub-Total of DEVELOPMENT COST##**

## Marketing & brokerage expenses towards sale of apartments, shall not be included in Development Cost)

(Refer [Circular No. 5/2017](#) dated 28/06/2017 "Clarifications on Operating Designated Bank Account" Point 2b)

2. Total Estimated Cost of the Real Estate Project [1(i) + 1(ii)] of Estimated Column.
3. Total Cost Incurred of the Real Estate Project [1(i) + 1(ii)] of Incurred Column.
4. % completion of Construction Work (as per Project Architect's Certificate).
5. Proportion of the Cost incurred on Land Cost and Construction Cost to the Total Estimated Cost. (3/2 %).
6. Amount Which can be withdrawn from the Designated Account.

**Total Estimated Cost \* Proportion of cost incurred**  
**(Sr. number 2 \* Sr. number 5)**

7. Less: Amount withdrawn till date of this certificate as per the Books of Accounts and Bank Statement **(of the Separate Bank Account)**
8. Net Amount which can be withdrawn from the Designated Bank Account under this certificate

This certificate is being issued for RERA compliance for the Company [Promoter's Name] and is based on the records and documents produced before me and explanations provided to me by the management of the Company

### **(ADDITIONAL INFORMATION FOR ONGOING PROJECTS)**

1. Estimated Balance Cost to Complete the Real Estate Project (Difference of Total Estimated Project cost less Cost incurred) (calculated as per the Form IV)
2. Balance amount of receivables from sold apartments as per [Annexure A](#) to this certificate(as certified by Chartered Accountant as verified from the records and books of Accounts)
3. (i) Balance Unsold area (to be certified by Management and to be verified by CA from the records and books of accounts)  
(ii) Estimated amount of sales proceeds in respect of unsold apartments (calculated as per ASR multiplied to unsold area as on the date of certificate, to be calculated and certified by CA) as per Annexure A to this certificate
4. Estimated receivables of ongoing project. Sum of 2 + 3 (ii)
5. Amount to be deposited in Designated Account – 70% or 100%  
IF 4 is greater than 1, then 70 % of the balance receivables of ongoing project will be deposited in designated Account  
IF 4 is lesser than 1, then 100% of the of the balance receivables of ongoing project will be deposited in designated Account

## Annexure A

Statement for calculation of Receivables from the Sales of the Ongoing Real Estate Project

### Sold Inventory

Sr. No.	Flat No.	Carpet Area (Refer <a href="#">Circular No 4/2017</a> dated 14/06/2017 "15Clarification on Calculation of Carpet Area") (in sq.mts.)	Unit Consideration as per Agreement / Letter of Allotment	Received Amount	Balance Receivable

### (Unsold Inventory Valuation)

Ready Reckoner Rate as on the date of Certificate of the Residential/Commercial premises Rs. \_\_\_\_\_ per sm.

Sr. No.	Flat No.	Carpet Area (Refer <a href="#">Circular No 4/2017</a> dated 14/06/2017 "15Clarification on Calculation of Carpet Area") (in sq.mts.)	Unit Consideration as per Ready Reckoner Rate (ASR)

Note : (Refer [Circular No 07/2017](#) dated 04/07/2017 “Clarification on CA Certificates”)

1. The cost incurred includes cost which is paid and/or payable.
2. Pass through charges received & Indirect taxes collected from the Allottees, should be deposited in the another bank account and to be dealt with as per Law and should not be deposited in the separate designated bank account.
3. Cancellation of booking amount to the extent of 70% can be withdrawn from separate designated bank account.
4. Compensation & Interest paid to the Allottee, can be withdrawn fully from separate designated bank account.
5. Refer Annexure : working sheet of the FORM 3 & FINANCIAL EXAMPLE.
6. Refer Annexure downloaded copy of : FORM 3, [Circular No 07/2017](#) dated 04/07/2017 “Clarification on CA Certificates”, [Circular No. 5/2017](#) dated 28/06/2017 “Clarifications on Operating Designated Bank Account” & [Circular No 08/2017](#) dated 17/07/2017 “SOP for Updating and Revising-Correction Information with respect to Registered projects and Registered Real Estate Agents.



UPDATING, MODIFICATION & CHANGE IN DIVISIONS Section 11(1) (Refer [Circular No 08/2017](#) dated 17/07/2017 “SOP for Updating and Revising-Correction Information with respect to Registered projects and Registered Real Estate Agents”). & Rule 3(1) & Rule 3(2)

### **Updating**

- Updating any information provided at the time of Registration under Section 4
- Updating Form 1, 2 and 3 every quarter
- Annual Updating Fees Rs 500/-

### **Modifications**

- Any Modification which needs to change the Registration Certificate.
- Any change in Form B
- Any change of address, plot numbers etc.

### **Change of Divisions**

- Any change of Division within Maha RERA not allowed.
- Any Withdrawal of application not allowed, after the expiry of 30 days from the date of submission of Application.
- File Form 4 on completion.

## FINANCIAL – PLANNING

SN	Have you opened the following bank accounts?	Tick
1	Have you opened account in a scheduled bank, separate bank account for each project ?	
2	For a project have you opened different account for various purposes such as-	
a	Collection taxes including of stamp duty, VAT, service tax etc any other money you wish to separately collect.	
b	Society maintenance charges?	
3	Designated account where 70% of the customer amount will get retained and the balance transferred to surplus a/c (example Rs. 100 is received from a customer a/c Rs. 70 is retained and balance Rs. 30 is transferred)	
a	Accounts to be maintained with a Scheduled bank only	
b	This is the only account that needs to be registered with RERA	
4	Surplus account where 30% of the balance amount from the Escrow account will get transferred (Rs.30)	
a	This account can be with any type of bank	
5	Regular / construction a/c where periodically, amount to be withdrawn for construction, on the basis of certifications, will be transferred from Designated account and also from Surplus a/c if necessary.	
a	This account will be with any type of bank	
6	Taxes account - in which customer amounts towards VAT, Service Tax and other taxes payable to the Government are received	

<b>SN</b>	<b>Have you opened the following bank accounts?</b>	<b>Tick</b>
7	In case where a project financing is taken from an institute, bank, NBFC, etc, an additional bank account may be required.	
8	In case where the project is under Joint development and additional bank account may be required for the land owners.	

<b>SN</b>	<b>Have you submitted the below certificates required for withdrawals?</b>	
1	"A minimum of quarterly certifications are recommended from Architect, Engineer & Chartered Accountant"	
2	However, in case of full operational project, a monthly certification will be required for frequent Bank withdrawals	

## FINANCIAL – PLANNING

Account heads in books must be classified & marked such that they give you an instant picture of the cost of project.

Also they must differentiate between land cost & construction cost

SN	Bifurcation of Land cost- Have you included the points below in your cost	Tick 0
1	Acquisition of ownership & title including its lease charges	
2	Overheads Cost	
3	Marketing Cost	
4	Legal Cost	
5	Supervision Cost	
6	Premium payable for development rights	
7	TDR cost	
8	FSI Premium	
9	Stamp Duty, transfer charges, registration fees	

Note:

Any revaluation done to Land in books must be excluded from calculation of cost, however, Indexed Cost of Land, is allowed as per (Refer [Circular No 07/2017](#) dated 04/07/2017 "Clarification on CA Certificates" .

<b>SN</b>	<b>Cost of Construction –Have you included the points below in your cost</b>	<b>Tick</b>
1	On-site expenses	
2	Off-site expenses	
3	Interest, paid or payable to any financial institutions including scheduled bank, or registered money lenders except for sums borrowed for land payments.	

# THANK YOU



## Q & A

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