

Seminar on **BASICS OF REAL ESTATE & Various Allied Laws.**

WIRC OF ICAI

17th February, 2018



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

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REAL ESTATE & CENTRAL LAW

➤ **INDIAN CONTRACT ACT, 1872**

What is Contract?

All contracts are agreements, but, all agreements are not contracts.

An agreement which is legally enforceable alone is a contract.

Agreements which are not legally enforceable are not contracts but remain as void agreements which are not enforceable at all or as voidable agreements which are enforceable by only one of the parties to the agreement.

An Agreement is a promise or a commitment or set of reciprocal promises or commitments.

An Agreement involves an offer or proposal by one person and acceptance of such offer or proposal by another person.

If the agreement is capable of being enforced by law then it is a contract.

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➤ INDIAN CONTRACT ACT, 1872

Section 2(b) defines a 'Promise':

"When the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted. Proposal when accepted becomes a Promise."

Section 2(e) defines 'Agreement':

"Every promise and every set of promises forming consideration for each other".

Section 2(h) defines 'Contract':

"An agreement enforceable by law".

In terms of Section 10 of the Act, "all agreements are contracts if they are made by the free consent of the parties competent to contract, for a lawful consideration and with a lawful object and are not expressly declared to be void".

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Thus, in order to create a valid contract, the following elements should be present:

1. Intention to create legal obligation through offer and acceptance should be present.
2. Free consent of the parties is necessary.
3. Competency or capacity of parties to enter into contract must be ensured.

Section 11 provides that the person who-

has not attained the age of majority,

is of unsound mind and

is disqualified from entering into a contract by any law to which he is subject, should be considered as not competent to enter into any contract.

Therefore law prohibits (a) Minors (b) persons of unsound mind [excluding the lucid intervals] and (c) person who are otherwise disqualified like an alien enemy, insolvents, convicts etc from entering into any contract.

4. Lawful consideration & lawful object should be present, and
5. Agreement not expressly declared to be void.

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➤ INDIAN CONTRACT ACT, 1872



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➤ TRANSFER OF PROPERTY ACT, 1882

Sale (Sec. 54 to 57)

"sale" has been defined as a transfer of ownership in exchange for a price paid or promised or part paid and part-promised.

Mode of transfer by sale

Sale of an immovable property can be effected,

- (a) Where such property is tangible (i) by a registered instrument if it is of the value of Rs. 100 and upwards, and (ii) by a registered instrument or by delivery of property when it is less than Rs. 100 in value, and
- (b) Where the property is tangible or a reversion, only by a registered instrument.

Mortgage (Sec. 58 to 104)

"mortgage" is the transfer of an interest in specific immovable property for the purpose of securing the payment of money advanced or to be advanced by way of loan, an existing or future debt or the performance of an engagement which may give rise to pecuniary liability.

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The transferor is called a mortgagor, the transferee a mortgagee. The principal money and interest the payment of which is secured for the time being are called the mortgage money and the instrument by which the transfer is effected is called a mortgage deed.

Lease (Sec. 105 to 117)

"lease" of immovable property is a transfer of a right to enjoy property. Since it is transfer to enjoy and use the property, possession is always given to the transferee. The lease of immovable property must be made for a certain period, for example, a lease of property could be for a definite number of years, or for life, or even permanently.

Exchange (Sec. 118 to 121)

When two persons mutually transfer the ownership of one thing for the ownership of another, neither thing or both things being money only, the transaction is called an "exchange".

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Gift (Sec. 122 to 129)

"Gift" is the transfer of certain existing moveable or immovable property made voluntarily and without consideration by one person called the donor, to another called the donee and accepted by or on behalf of the donee.

Such acceptance must be made during the life time of the donor and while he is still capable of giving. If the donee dies before acceptance, the gift is void.

According to Section 123, a gift of immovable property must be made by a registered instrument signed by or on behalf of the donor and attested by at least two witnesses. A gift of moveable property may be made by a registered instrument or by delivery of property.

Transfer of Actionable Claim (Sec. 130 to 137)

A claim to any debt, other than a debt secured by mortgage of immovable property or by hypothecation or pledge of moveable property, or to any beneficial interest in moveable property not in the possession, either actual or constructive, of the claimant, which the Civil courts recognize as affording grounds for relief, whether such debt or beneficial interest be existent, accruing, conditional or contingent.

Actionable claims are claims, to unsecured debts.

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Differences between Lease, License & Business Centre.

Sr No.	Lease	License	Business Centre
1	Creates an interest in property; is transferable & inheritable; can be mortgaged; lessee has lawful right to possession	Creates no interest in the property; is personal & cannot be assigned to a third party; Licensee has mere permission to carry out acts on property in possession in licensor	Arrangement is confined to use common utilities in a utility area
2	Relevant law is Transfer of Property Act, 1882	Relevant laws are The Indian Easements Act, 1882 & The Maharashtra Rent Control Act, 1999	No specific law - the foundation is mutual contract between parties

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Sr No.	Lease	License	Business Centre
3	The terms of a lease must be compulsorily recorded in writing - there cannot be an oral lease	The terms of license (in Maharashtra) must be compulsorily recorded in writing - there cannot be an oral license	The terms can be recorded in writing or agreed orally
4	The lease deed is stamped under Article 36 (Schedule I) of the Bombay Stamp Act, 1958	The license agreement is stamped under Article 36A (Schedule I) of the Bombay Stamp Act, 1958	The business centre arrangement is stamped as an Agreement under Article 5(h) (Schedule I) of the Bombay Stamp Act, 1958
5	The lease deed is compulsorily registered under section 17(1)(d) of The Registration Act 1908	The license agreement is compulsorily registered under Section 55 of the Maharashtra Rent Control Act, 1999	The business centre agreement does not require registration

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Sr No.	Lease	License	Business Centre
6	The lessor receives a refundable security deposit or rent or both	The licensor receives a refundable security deposit or license fee or both	The owner receives a refundable security deposit or user fee or both
7	Lease rent & deposit will enhance the rateable value of the property, used to determine chargeable property taxes	License fee & deposit will enhance the rateable value of the property, used to determine chargeable property taxes	It can be argued that since no interest is property is created, a business centre arrangement does not enhance rateable value of the property
8	Advance rent, security deposit will attract stamp duty; maintenance charges may attract stamp duty	Advance license fee, security deposit will attract stamp duty; maintenance charges may attract stamp duty	Not applicable

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Sr No.	Lease	License	Business Centre
9	The lessee can take up the burden to contribute to structural alterations, repairs & improvements, insurance, & pay taxes & assessments	The licensee cannot take up the burden to contribute to structural alterations, repairs & improvements, insurance, & pay taxes & assessments	Not applicable

➤ SPECIFIC RELIEF ACT, 1963

Under the law, three distinct actions could be brought for the recovery of specific immovable property, namely –

- A Suit based title by Ownership;
- A Suit based on possessory title;
- A Suit based on the strength merely of previous possession, in the case of a wrongful ouster, i.e. without following the due process of law, of a person without his consent.

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➤ THE REGISTRATION ACT, 1908

Documents of which Registration is compulsory. (Sec 17)

Documents of which Registration is optional. (Sec 18)

- With the Sub – Registrar of Assurances
- Required for certain Instruments transferring Immovable Property(IP)
- **Gift, Instruments creating/transfer of interest in IP / Lease of IP > 1 year**
- Exempts Wills, even if they deal with Immovable Property

Movable Property.

- Transfer of Movable Property possible by Delivery & Possession without an Instrument.

Immovable Property.

- Conveyance is must for value > Rs. 100 under
 - Transfer of Property Act, 1982
 - Registration Act, 1908

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- **Registration Act** – IP includes land, building, right to way or any benefit to arise out of land and things attached to earth or permanently fastened to anything attached to earth
- **Maharashtra Stamp Act** – IP includes land, benefits to arise out of land & things attached to earth or permanently fastened to anything attached to the earth.
- **General Clauses Act** – Same as MSA
- **Embedded in earth / Damage on removal from earth – then IP**
- **Sold as such after removal / fixed only by nuts & bolts – then MP**
- **Amendment to Transfer to Property Act & Registration Act**
 - Documents containing contracts to transfer for consideration, any IP in **Part Performance** of a Contract u/s.53A of the Transfer of Property Act, 1882 & executed ≥ 24.09.2001 must be registered,
 - If they're not registered, they shall not have any effect for the purposes of s.53A of the Transfer of Property Act, 1882

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- **Example of Impact of Amendment to TOPA / Registration. Act**
 - JDA executed by Land Owner with Developer
 - Possession granted to enter & Develop
 - Part consideration
 - **But JDA not Registered**

- **No CGT Liability on Owner since s.53A of TOPA & thus, s.2(47)(v) of ITA not triggered**
 - JDA is not a Contract at all in eyes of law
 - No applicability of Chaturbhuj Kapadia (Bom HC)
 - Balbir Singh Maini 398 ITR 531 (SC) / CS Atwal (P&H HC)

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➤ INDIAN STAMP ACT, 1899

➤ MAHARASHTRA STAMP ACT, 1958

- **Seventh Schedule to Constitution**
 - Entry #91 in List I (Union) & #63 in List II (State) (Concurrent List)
 - **Indian Stamp Act, 1899** applies to whole of India except J&K
 - **Maharashtra Stamp Act, 1958** overrides ISA in Maharashtra for 63 Instruments covered by it
 - For balance 9 Instruments – ISA applies (e.g cheque, bills of entry etc.)
 - Schedule I to MSA and ISA contains rates of STAMP DUTY for different Instruments

- **Stamp Duty is on an Instrument & not on a Transaction**
 - **Instrument includes every Document** ,by which right or liability is created, transferred, extinguished, recorded

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- **Some Instruments where Stamp Duty levied on Market Value**
 - Conveyance
 - Gift Deed
 - Exchange
 - Partition Deed
 - Release Deed
 - Partnership Deed – If capital is contributed by way of property
 - Dissolution of Partnership/Retirement – if a partner takes property on Dissolution/Retirement (who did not bring in)
 - Settlement
- **Applicable to both Immovable & Movable properties**
- **Conveyance**
 - Rates of Stamp duty for Movable @ 3% optional
 - Rates of Stamp duty for Immovable @ 4% / 5% compulsory
- **Conveyance of Immovable property**
 - Explanation I to Article 25

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- Agreement to sell Immovable property is subject to stamp duty, as Deemed Conveyance & set off of stamp duty paid, is available when conveyance is subsequently executed.
- **Implications of Unstamped Instrument**
 - Can be impounded by Public Officers, e.g., Income Tax Officers, ROC, etc.
 - Powers of Inspection to Collector – Can enter premises and impound documents if fraud/ evasion suspected
 - Inadmissible in evidence, cannot be acted upon by a Public Office, cannot be registered
 - Creates/ affects no right, title or interest in property
 - Penalty of **2% p.m.** Max = **Four** times the Duty Amount
- **Market Value of Property**
 - With effect from 04/07/1980, Stamp Duty on several Instruments is on FMV of property
- **Stamp Duty is on Higher of**
 - **FMV**: Price which such property would have fetched, if sold in the open market, on the date of execution of the instrument;

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OR

o Consideration stated in the instrument

• **Ready Reckoner for Mumbai (Apr-Mar)**

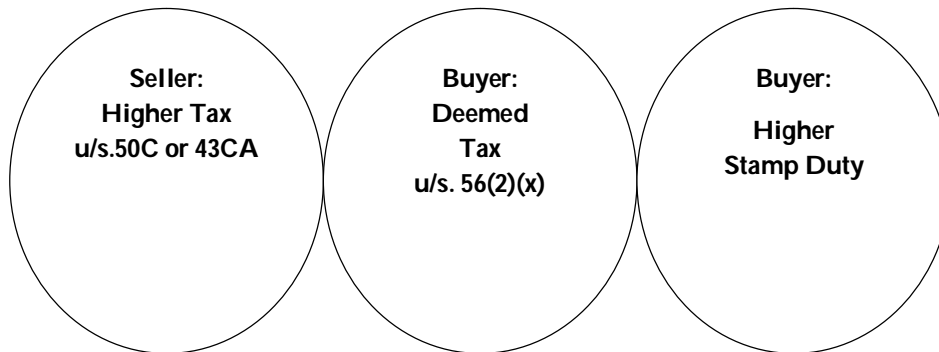
- o Ready Reckoner divides Mumbai city / Suburbs
→Various Village Numbers & Names
- o Village --> Zones & Sub-Zones
- o Sub-Zones have different CTS Numbers for various properties.

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Buying Property < Stamp Duty Value

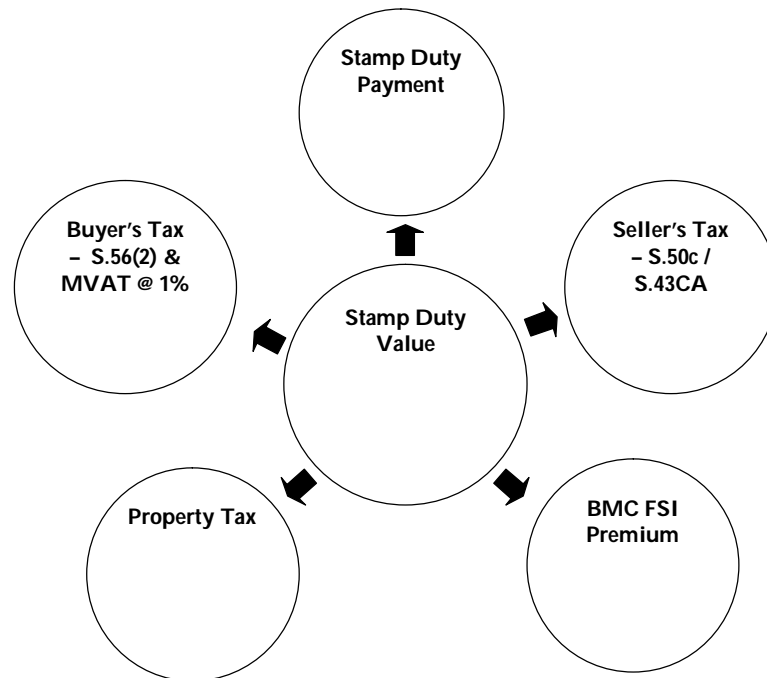


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Stamp Duty Ready Reckoner – Impact

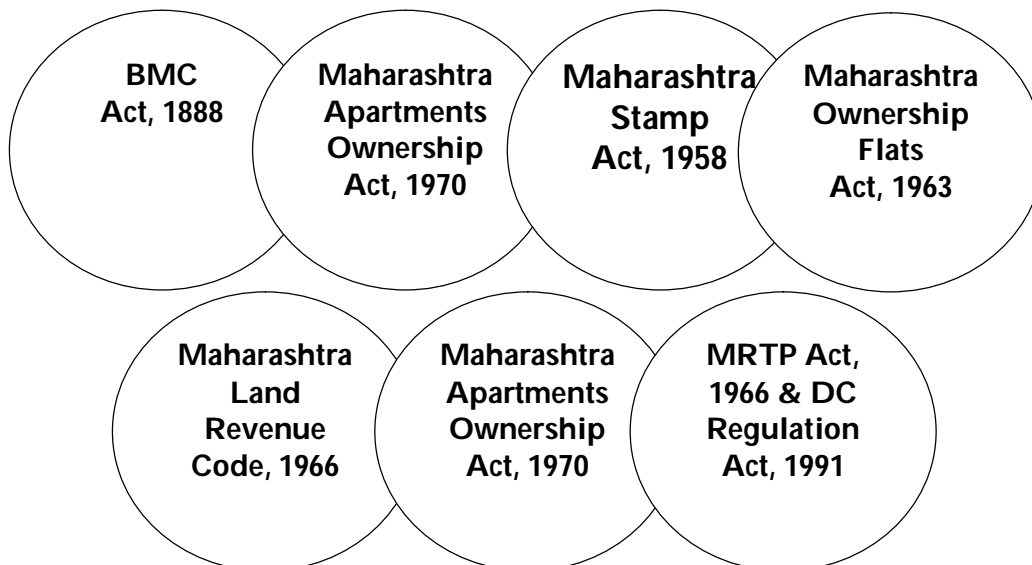


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REAL ESTATE & STATE LAWS



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➤ REAL ESTATE (REGULATION & DEVELOPMENT) ACT, 2016

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.

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BIRD'S EYE VIEW OF :

SR. NO.	PARTICULARS	WITH EFFECT FROM
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

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BIRD'S EYE VIEW OF :

SR. NO.	PARTICULARS	WITH EFFECT FROM
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

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1. THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016 , NO. 16 OF 2016, (Act of Parliament, received assent of the President on 25th March 2016 & published by Notification dated 26th 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	Preliminary	Section 1	01/05/2016
CHAPTER I	Preliminary	Section 2	01/05/2016
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
CHAPTER V	The Real Estate Regulatory Authority	Section 20 to 39	01/05/2016
CHAPTER V	The Real Estate Regulatory Authority	Section 40	01/05/2017
CHAPTER VI	Central Advisory Council	Section 41 & 42	01/05/2016
CHAPTER VII	The Real Estate Appellate Tribunal	Section 43 to 58	01/05/2016
CHAPTER VIII	Offences, Penalties And Adjudication	Section 59 to 70	01/05/2017

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

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.

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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

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CHAPTER	SUBJECT	RULES	BRIEF DESCRIPTION
CHAPTER II	Real Estate Project	RULE 5	Withdrawal Of Amounts Deposited In Separate Account (Refer Circular No 3/2017 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 MahaRERA Order No.4 , 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

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CHAPTER	SUBJECT	RULES	BRIEF DESCRIPTION
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

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CHAPTER	SUBJECT	RULES	BRIEF DESCRIPTION
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



FORM NO.	BRIEF DESCRIPTION	MAHARERA WEBSITE RULES	PROVISIONS OF THE RERA ACT, 2016
FORM 'E'	Application For Extension Of Registration Of Project	RULE 7(1)	SECTION 5, SECOND PROVISO OF SECTION 6 & SECTION 7
FORM 'F'	Certificate For Extension Of Registration Of Project	RULE 7(2)	SECTION 5, SECOND PROVISO 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

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FORM NO.	BRIEF DESCRIPTION	MAHARERA WEBSITE RULES	PROVISIONS OF THE RERA ACT, 2016
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		

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	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, vides Notification No. REA 2016/CR NO.79/DVP-2, published in the Maharashtra Government Gazette, hereby makes the following rules

RULES	WITH EFFECT FROM
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

REGULATIONS	BRIEF DESCRIPTION
Regulations 1	Short Title, Object, Commencement and Extent - MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY (GENERAL) REGULATIONS, 2017
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

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REGULATIONS	BRIEF DESCRIPTION
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 MahaRERA/Secretary/Order/15/2017 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.)

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SEVEN WONDERS OF RERA

RERA (Real Estate Regulation & Development Act) will revolutionize the sector in the following manners

The Act has provided a shield for the buyers in the wake of delayed delivery of projects.

Here are seven ways how the Real Estate Sector will get new perspective from RERA.

1. Registered Project:

With RERA in place, real estate developers must register their project with RERA. Every project must carry RERA number.

2. Empowered Buyer:

The Act provides a shield for the buyers in the wake of delayed delivery of projects. Now, homebuyers can feel assured that a RERA-Registered Project will be a safer bet & their hard-earned money will not go down the drain.

3. Reliable Developers:

Buyer's can access information about developers, their track record, details about the project, status of approvals etc, on the MAHARERA website.

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4. Accountable Developers:

Under the Act, developers are accountable to deliver project on time. Any failure to do so will attract hefty penalties.

5. Accountable Buyer:

Under the Act, a buyer must make necessary payments, failure of which will attract interest.

6. Transparency:

The objective of this law is to instill transparency in the sector which is needed for the overall improvement in investor's confidence & to encourage greater institutional capital inflows into the sector.

7. Reducing Buyer's Risk:

The provision of mandatory registration & requirement of keeping 70 per cent of the project money into a separate scheduled bank account is likely to reduce the buyer risk to a certain extent.

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RERA FOR REALTY

What buyers should know about RERA:

- Buyers can demand refund or compensation at an interest rate of the SBI's marginal cost of lending rate (MCLR) plus 2% (effectively around 8.35%)
- Builder will have to repay the amount within 45 days of a claim
- A buyer will also have to pay the interest at the same rate (MCLR+ 2%) on any dues raised by developers, which is much lower than 15% to 18% interest rate charged by developers for delayed payments
- Builders can withdraw amount from a special account only in proportion to the percentage of completion of the project, subject receipt of certificate from CA, Architect & Engineer.
- No discrimination in sale of properties on any grounds
- Faster resolution of complaints as adjudicating officers, real estate authorities & appellate tribunals will have to dispose of complaints within 60 days
- RERA to bring transparency as the builder will have to reveal information about everything related to project & entity.

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How RERA will impact Developers/Promoters:

- Builder will have to register the project with regulatory authority
- Developer will have to take insurance for the project (yet not notified)
- Will have to deposit 70% of the funds collected from buyers into a separate scheduled bank account
- Specify the scheduled completion date while registering the project
- Declare size of the apartment based on carpet area even if it was earlier sold on any other basis.
- Declare information about number of open & closed parking areas.
- Upload all information on website regarding number & type of apartments or plots, garages booked, status of the project with photographs floor-wise, status of construction of internal infrastructure & common areas.
- Provide information about status of approvals received & modifications approved by the competent authority within 7 days of expiry of each quarter.

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- Promoters of the real estate firm will have to submit authorized copy of PAN card, authenticated copy of legal title deed, copy of collaboration agreement if the promoter is not the owner of the plot during registration of project

Important definitions under RERA Act, 2016

2(b) "advertisement" means any document described or issued as advertisement through any medium and includes any notice, circular or other documents or publicity in any form, informing persons about a real estate project, or offering for sale of a plot, building or apartment or inviting persons to purchase in any manner such plot, building or apartment or to make advances or deposits for such purposes;

2(c) "agreement for sale" means an agreement entered into between the promoter and the allottee;

2(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 the 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;

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2(e) "apartment" whether called block, chamber, dwelling unit, flat, office, showroom, shop, godown, premises, suit, tenement, unit or by any other name, means a separate and self-contained part of any immovable property, including one or more rooms or enclosed spaces, located on one or more floors or any part thereof, in a building or on a plot of land, used or intended to be used for any residential or commercial use such as residence, office, shop, showroom or godown or for carrying on any business, occupation, profession or trade, or for any other type of use ancillary to the purpose specified;

2(h) "architect" means a person registered as an architect under the provisions of the Architects Act, 1972;

2(i) "Authority" means the Real Estate Regulatory Authority established under sub-section (1) of section 20;

2(j) "building" includes any structure or erection or part of a structure or erection which is intended to be used for residential, commercial or for the purpose of any business, occupation, profession or trade, or for any other related purposes;

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2(k) "carpet area" means the net usable floor area of an apartment, excluding the area covered by the external walls, areas under services shafts, exclusive balcony or verandah area and exclusive open terrace area, but includes the area covered by the internal partition walls of the apartment.

Explanation.— For the purpose of this clause, the expression "exclusive balcony or verandah area" means the area of the balcony or verandah, as the case may be, which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee; and "exclusive open terrace area" means the area of open terrace which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee;

2(m) "commencement certificate" means the commencement certificate or the building permit or the construction permit, by whatever name called issued by the competent authority to allow or permit the promoter to begin development works on an immovable property, as per the sanctioned plan;

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2(n) "common areas" mean—

- (i) the entire land for the real estate project or where the project is developed in phases and registration under this Act is sought for a phase, the entire land for that phase;
- (ii) the stair cases, lifts, staircase and lift lobbies, fire escapes, and common entrances and exits of buildings;
- (iii) the common basements, terraces, parks, play areas, open parking areas and common storage spaces;
- (iv) the premises for the lodging of persons employed for the management of the property including accommodation for watch and ward staffs or for the lodging of community service personnel;
- (v) Installations of central services such as electricity, gas, water and sanitation, air-conditioning and incinerating, system for water conservation and renewable energy;
- (vi) the water tanks, sumps, motors, fans, compressors, ducts and all apparatus connected with installations for common use;
- (vii) all community and commercial facilities as provided in the real estate project;
- (viii) all other portion of the project necessary or convenient for its maintenance, safety, etc., and in common use;

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2(p) "competent authority" means the local authority or any authority created or established under any law for the time being in force by the appropriate Government which exercises authority over land under its jurisdiction, and has powers to give permission for development of such immovable property;

2(q) "completion certificate" means the completion certificate, or such other certificate, by whatever name called, issued by the competent authority certifying that the real estate project has been developed according to the sanctioned plan, layout plan and specifications, as approved by the competent authority under the local laws;

2(s) "development" with its grammatical variations and cognate expressions, means carrying out the development of immovable property, engineering or other operations in, on, over or under the land or the making of any material change in any immovable property or land and includes re-development;

2(t) "development works" means the external development works and internal development works on immovable property;

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2(u) "engineer" means a person who possesses a bachelor's degree or equivalent from an institution recognized by the All India Council of Technical Education or any University or any institution recognized under a law or is registered as an engineer under any law for the time being in force;

2(v) "estimated cost of real estate project" means the total cost involved in developing the real estate project and includes the land cost, taxes, cess, development and other charges;

(w) "external development works" includes roads and road systems landscaping, water supply, sewerage and drainage systems, electricity supply transformer, sub-station, solid waste management and disposal or any other work which may have to be executed in the periphery of, or outside, a project for its benefit, as may be provided under the local laws;

2(y) "garage" means a place within a project having a roof and walls on three sides for parking any vehicle, but does not include an unenclosed or uncovered parking space such as open parking areas;

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2(z) "immovable property" includes land, buildings, rights of ways, lights or any other benefit arising out of land and things attached to the earth or permanently fastened to anything which is attached to the earth, but not standing timber, standing crops or grass;

2(za) "interest" means the rates of interest payable by the promoter or the allottee, as the case may be.

Explanation.—For the purpose of this clause—

(i) the rate of interest chargeable from the allottee by the promoter, in case of default, shall be equal to the rate of interest which the promoter shall be liable to pay the allottee, in case of default;

(ii) the interest payable by the promoter to the allottee shall be from the date the promoter received the amount or any part thereof till the date the amount or part thereof and interest thereon is refunded, and the interest payable by the allottee to the promoter shall be from the date the allottee defaults in payment to the promoter till the date it is paid;



2(zb) "internal development works" means roads, footpaths, water supply, sewers, drains, parks, tree planting, street lighting, provision for community buildings and for treatment and disposal of sewage and sullage water, solid waste management and disposal, water conservation, energy management, fire protection and fire safety requirements, social infrastructure such as educational health and other public amenities or any other work in a project for its benefit, as per sanctioned plans;

2(zc) "local authority" means the Municipal Corporation or Municipality or Panchayats or any other Local Body constituted under any law for the time being in force for providing municipal services or basic services, as the case may be, in respect of areas under its jurisdiction;

2(zf) "occupancy certificate" means the occupancy certificate, or such other certificate by whatever name called, issued by the competent authority permitting occupation of any building, as provided under local laws, which has provision for civic infrastructure such as water, sanitation and electricity;

2(zj) "project" means the real estate project as defined in clause (zn);



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 purpose of selling to other persons all or some of the plots in the said project, whether with or without structures 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 the Government, for the purpose of selling all or some of the apartments or plots; or

(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 the allottees of such apartments or buildings; or

(v) any other person who acts himself as a builder, colonizer, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale; or

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(vi) such other person who constructs any building or apartment for sale to the 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 the rules and regulations made there under;

2(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, middlemen by whatever name called;

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2(zn) "real estate project" means the **development (Sec 2(s))** of a **building (Sec 2(j))** or a building consisting of **apartments (Sec 2(e))**, or converting an existing building or a 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 (Sec 2(n))**, the **development works (Sec 2(t) & 2(w) & 2(zb))**, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto;

2(zq) "sanctioned plan" means the site plan, building plan, service plan, parking and circulation plan, landscape plan, layout plan, zoning plan and such other plan and includes structural designs, if applicable, permissions such as environment permission and such other permissions, which are approved by the competent authority prior to start of a real estate project;



➤ **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

SR	OFFENCE	PENALTY
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]



SR	OFFENCE	PENALTY
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.

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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)

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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 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)

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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. FORM 5 - 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)

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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").

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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

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- 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

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- 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").

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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.

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- 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.

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

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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

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 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.

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Comparison chart between MOFA & RERA

SN	Salient Issues	Provisions in MOFA 1963	Provisions of RERA 2016
1	Sale of parking	Not permissible	Only covered car parking space/ Garages including mechanical car parks
2	Carpet area	Balcony included and net usable area was permissible	Includes:- Area covered by the internal walls of the apartment Excludes:- Area covered by the external walls, exclusive balconies, verandah areas, service shafts and terraces not included 3% tolerance allowed. Compulsory re-measurement of flat at the time of possession
3	Before execution of agreement	Not to exceed 20%	Not to exceed 10%
4	Proportionate charging of common areas	Chargeable	Chargeable

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5	Deemed conveyance	Applicable within six months of notice	Applicable within three months of completion certificate of real estate project if date has not been specified in the agreement to sale.
6	Defects period	3 yrs	5 yrs
7	Refund of money only if delay for possession then refund of money with interest to the buyer	Simple interest @ 9% p.a. from the dt. Sums are received	Simple interest @2%+ prevailing MCLR rate of the State Bank of India from the date sums are received.
8	Formation of society	As soon as minimum number of persons (60%) require to take flats. Within in 4 months of 60% occupation.	Within 3 months of date of 51% of allottees that have booked their apartments
9	Conveyance	If no period mention within 4 months of formation of society.	If no period mentioned then for single building within three months of issue of occupation certificate or 51% of total number of allottees in a building/ wing having paid full consideration whichever is earlier.

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			In case an apex body has to be formed if no date is agreed upon then within three months from the completion of the last building/wing
10	Extension of time for delivery of flat	<p>i) Non-availability of steel cement, other building material water or electric supply.</p> <p>ii) War, civil commotion or act of God.</p> <p>iii) Any notice, order, rule, notification, of the government and/or other public or competent authority.</p> <p>Note- the provisions of this provision are not mandatory but negotiable.</p>	<p>i) War, civil commotion or act of God.</p> <p>ii) Any notice, Order, rule, notification, of the government and/or other public or competent authority.</p> <p>iii) Excludes period of registration where actual construction not carried by promoter due to specific stay, injunction order to the project by any court of law, tribunal, competent authority, statutory authority, higher committee etc. or due to other</p>

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			mitigation circumstances as decided by RERA Authority. iv) if authority is convinced that due to no fault of the promoter there has been a delay he can get extension for the registration of the project
11	Payment terms	Very stringent / Not practical therefore no developers used to follow).	Liberal and practical for both promoter and Allottee
12	Escalation	Increase in local taxes, water charges, insurance and such other levies, if any, imposed local authority/govt.	Escalation free except due to increase in account of development charges / charges to authority.
13	Share of outgoings	In proportion to floor area of flat.	Proportion to carpet area.
14	All receipts	Mentions maintain a separate account.	70% to be maintained with designated account and to be withdrawn as per progress of construction.

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15	Project potential	Till conveyance / society formation any FSI increase would belong to developer	Disclosure to be made about expectation of FSI proposed to be utilized including expectation of future FSI or else consent of 2/3 rd allottee required.
16	Interest	Developer's discretion	M.C.L.R. plus 2% of SBI Bank Rate.
17	Termination	Developer was entitled to terminate after notice on default of payment	Promoter entitled to terminate after three installments not paid and notices given. Refund must be made within 30 days.
18	Specification of materials	Generic declaration would suffice	To mention brand, or price of product (if unbranded)
19	Registration of project	Not required	Compulsory before any advertisement or receipt of payment.
20	Insurance	Of building	Of building & title
21	Disclosures	To be available on site.	On the site and website
22	Title Liability	Upto conveyance is done	Liability in perpetuity
23	Offences & penalties	Imprisonment and nominal fines were prescribed	Heavy fines linked with upto 10% of estimated project cost and imprisonment only if directions

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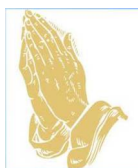
			of Authority not followed for both developers as well as allottees
24	Consent to change sanctioned plans	Consent not required unless individual unit is affected	Consent of 2/3 rd allottees required for making any major modifications in sanctioned plans or revised plans
25	Development of Project and amenities	Phase wise development not mentioned	Detailed phase wise development permitted along with different dates of possession for apartment and amenities
26	Unfinished Project	No provision of take over	Authority with approval of state government may allow development of project by any other person including first right to take over and complete the project will rest with allottee's who has purchased apartment in the said project
27	Marketing Agents	Not required to be registered	Registration is Mandatory with RERA authority

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THANK YOU



Q & A

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