

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

## WIRC OF ICAI

22<sup>nd</sup> June, 2018 to 30<sup>th</sup> June, 2018

Venue: ICAI Tower, Plot No. C-40,

'G' Block, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

CA HEMANT G JOSHI - RERA CERTIFICATION / AUDIT AND REGULAR WEBSITE UPDATE... 30/06/2018

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

CA HEMANT G JOSHI

30/06/2018

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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.

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	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

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

**As per Section 20(1) of THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016**  
The appropriate Government shall,

- within a period of one year from the date of coming into force of this Act (i.e 01/05/2016)
- by notification,
- establish an Authority
- to be known as the Real Estate Regulatory Authority
- to exercise the powers conferred on it and
- to perform the functions assigned to it under this Act

*Because of this right conferred with the Appropriate Government, Maharashtra Government established an Authority, known as "The MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY"*

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 Agents, Projects, Registration Of Real Estate 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	SUBJECT	RULES	BRIEF DESCRIPTION
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 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 <u>MaharERA Order No.4</u> , 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	SUBJECT	RULES	BRIEF DESCRIPTION
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
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 For Refund	RULE 18	Rate Of Interest Payable By The Promoter And The Allottee
CHAPTER IV	Rate Of Interest Payable By Promoter And Allottee For Refund	RULE 19	Timelines For Refund.

CHAPTER	SUBJECT	RULES	BRIEF DESCRIPTION
CHAPTER V	Details To Be Published On The Website Of Authority	RULE 20	Details To Be Published On The Website Regarding Real Estate Projects
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	RERA ACT, 2016 PROVISIONS OF THE
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 PROVISO OF SECTION 6, SECTION 7

FORM NO.	BRIEF DESCRIPTION	MAHARERA WEBSITE RULES	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		
	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		

FORM NO.	BRIEF DESCRIPTION	MAHARERA WEBSITE RULES	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)	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	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

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 ,

(MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY, of Government of Maharashtra, vide Maharashtra.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 - 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

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 (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")

### 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;

**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;

**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;

**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;

**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(g) "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;

**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;

**2(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(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

(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 sell 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;

**2(zn) "real estate project"** means the development (Sec 2(s)) of a building (Sec 2(f)) 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;

**Important definitions under 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**

**2(e) "ASR" or "Annual Statement of Rates"** means the rate of land and building for different users and as notified under the provisions of the Maharashtra Stamp (Determination of True Market Value of Property) Rules, 1995;

**2(f) "authenticated copy"** shall mean a self-attested copy of any document required to be provided by any person under these rules;

**2(f) "Covered parking space"** means an enclosed or covered area as approved by the Competent Authority as per the applicable Development Control Regulations for parking of vehicles of the allottees which may be in basements and/or still and/or podium and/or space provided by mechanised parking arrangements but shall not include a garage and/or open parking;

**2(k) "disclosure"** means the information and documents to be uploaded by the Promoter on the website of the Authority as well as the information and documents, which he is liable to give or produce or cause to be given and produced to the person intending to take or invest in project under the Act to the public at large through print media, electronics media, property exhibitions and promotional events and shall include the communications made to the Authority, either in physical or electronic form and includes the information, documents, etc., being made available;

2(m) "FSI "or" Floor Space Index" shall have the same meaning as assigned to it in the Building Rules or Building By-laws or Development Control Regulations made under any law for the time being in force;

2(p) "Phase of a Real Estate Project" may consist of a building or a wing of the building in case of building with multiple wings or defined number of floors in a multi-storied building/ wing;

2(q) "Redevelopment Scheme" means a scheme inter alia providing for allotment of apartments in respect of rehabilitation or redevelopment of slum areas, old or dilapidated buildings (whether ceased or not), or cluster of buildings, as may be approved by the relevant competent authority under the provisions of any State or Central law or orders of the State or Central Government;

## ➤ 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 was 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]

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

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

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 ]

➤ 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 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 experts 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

MAHARERA RULE	BRIEF DESCRIPTION	REFERENCE OF RERA ACT
<a href="#">Rule 3(1)</a>	Information & Documents.	<a href="#">Section 4(1) &amp; 4(2)</a>
<a href="#">Rule 3(2)</a>	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.	
<a href="#">Rule 3(3)</a>	FORM A - Application For Registration of Project.	<a href="#">Section 4(1) &amp; 4(2)</a>
<a href="#">Rule 3(4)</a>	Web based Applications for Registration available from Authority.	<a href="#">Section 4(3)</a> , therefore, Rule 3(3) do not apply.

MAHARERA RULE	BRIEF DESCRIPTION	REFERENCE OF RERA ACT
<a href="#">Rule 3(5)</a>	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/-.	
<a href="#">Rule 3(6)</a>	Declaration by Promoters in FORM B.	<a href="#">Section 4(2)(i)</a>
<a href="#">Rule 3(7)</a>	Withdrawal of Application of Registration of Real Estate Project, within 30 days of its submission to Authority.	<a href="#">Section 5(i)</a>
<a href="#">Rule 3(8)</a>	Land cost in the Real Estate Project.	<a href="#">Section 4(2)(i)(D)</a>
	Cost of Construction in Real Estate Project.	<a href="#">Section 4(2)(i)(D)</a>
	Estimated Cost of the Real Estate Project.	<a href="#">Section 2(v)</a>
<a href="#">Rule 4(1)</a>	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 <a href="#">Section 3(1)</a> & not applicable to <a href="#">Section 3(2)(b)</a>

MAHARERA RULE	BRIEF DESCRIPTION	REFERENCE OF RERA ACT
<a href="#">Rule 4(2)</a>	<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>	<a href="#">Section 4(2)(1)</a>

MAHARERA RULE	BRIEF DESCRIPTION	REFERENCE OF RERA ACT
<a href="#">Rule 4(3)</a>	<p>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 &amp; share of common areas and amenities etc, for the plot buyers.</p>	
<a href="#">Rule 4(4)</a>	<p>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.</p>	<a href="#">Section 3(2)(c)</a> <a href="#">Explanation</a>
<a href="#">Rule 5 &amp; Explanation I, III &amp; IV</a>	<p>Withdrawal of Amounts Deposited In Separate Account (<i>Refer Circular No 3/2017 dated 07/06/2017 "Self Declaration to be submitted by Promoters to Bank"</i>).</p>	<a href="#">Section 4(2)(1)(D)</a>
<a href="#">Rule 5(i)(a)</a>	<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.</p>	<a href="#">Section 4(2)(1)(D)</a>

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	Rule 5(ii) & Proviso for 100% deposits in case of Estimated cost of completion of the project is less than the Ongoing projects & 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 RULE	BRIEF DESCRIPTION	REFERENCE OF RERA ACT
Rule 5(i)(b)  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	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, Certificate (in FORM 1) from practicing project Architect. Certificate (in FORM 2) Engineer. Certificate (in FORM 3) practicing Chartered Accountant.	Section 4(2)(i)(D)  First Proviso to Section 3(1) & 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	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, Certificate (in FORM 1) from practicing project Architect. Certificate (in FORM 2) Engineer. Certificate (in FORM 3) practicing Chartered Accountant.	Section 4(2)(i)(D)  First Proviso to Section 3(1) & Section 4(2)(i)(D)

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.	Third proviso to Section 4(2)(i)

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. <a href="#">Circular No 08/2017</a> dated 17/07/2017 & <a href="#">Circular No 14/2017</a> dated 01/11/2017 "SOP for Updating and Revising-Correction Information with respect to Registered projects and Registered Real Estate Agents", & Rule 3(1) & Rule 3(2)	

➤ CA CERTIFICATES UNDER MAHARERA REGULATION 3 OF MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY (GENERAL) REGULATIONS, 2017, ISSUED BY MAHARERA AUTHORITY, OF GOVERNMENT OF MAHARASHTRA, VIDE MAHARERA.2017/GEN. REGULATIONS/18, DATED 24/04/2017,

Sr. NO.	FORM NUMBER	WHEN	WHO WILL CERTIFY	REMARKS
1	Form 3	At the time of registration of project / ongoing project	Chartered Accountant other than Statutory Auditor of the Promoter	Explanation 1 to Regulation 4 & Section 4(2)(I) & Section 4(2)(D) of the RERA
2	Form 3	To allow Promoters, to withdraw amount, deposited from separate designated bank account, which was received from allottees, in proportion to the percentage of completion of the project	Chartered Accountant other than Statutory Auditor of the Promoter	Explanation 1 to Regulation 4 & Section 4(2)(I) & Section 4(2)(D) of the RERA
3	Form 5	Six months from the end of the respective financial year i.e 30th september	Statutory Auditor of the Promoter	Explanation 2 to Regulation 4 & Section 4(2)(I)(D) of of the RERA

## 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 Cost of Development Rights
  - Lease Premium / Lease Rent
  - Interest cost incurred or payable
  - Legal cost
- 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

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

- 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.(Rehab building, to be handed over to slum dwellers, tenants, members, Government or Appropriate authority.
- 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/others, towards and in project of rehabilitation. (such as corpus amount, rent/compensation, brokerage, shifting charges etc)

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

**(Rule 5 Explanation I of Maharashtra 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 Maharashtra 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, in case of Land is purchased prior to 01/04/2001.**

**(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 as verified by the CA.
- (ii) Actual Cost of construction incurred as per the books of accounts

**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 Maharashtra 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.	<b>Carpet Area (Refer Circular No 4/2017 dated 14/06/2017 "Clarification on Calculation of Carpet Area")</b> <b>(in sq.mts.)</b>	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.	<b>Carpet Area (Refer Circular No 4/2017 dated 14/06/2017 "Clarification on Calculation of Carpet Area")</b> <b>(in sq.mts.)</b>	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".

**UPDATING, MODIFICATION & CHANGE IN DIVISIONS** Section 11(1) (Refer Circular No 08/2017 dated 17/07/2017 & Circular No 14/2017 dated 01/11/2017 "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.

**Updating the Records with RERA on a quarterly basis in respect of**

- list of number and types of apartments or plots, as the case may be, booked;
- list of number of garages booked;
- list of approvals taken and the approvals which are pending subsequent to commencement certificate;
- status of the project; and
- such other information and documents as may be specified by the regulations made by the Authority.

Refer Annexure downloaded copy of : Circular No 08/2017 dated 17/07/2017 & Circular No 14/2017 dated 01/11/2017 "SOP for Updating and Revising-Correction Information with respect to Registered projects and Registered Real Estate Agents.

## 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- 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	

SN	Have you opened the following bank accounts?	Tick
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.	
SN	Have you submitted the below certificates required for withdrawals?	
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
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" ).

SN	Cost of Construction - Have you included the points below in your cost	Tick
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.	

FORM - 5

(Regulation 4)

STATUTORY AUDITOR'S REPORT / CERTIFICATE

(ANNUAL REPORT ON STATEMENT OF ACCOUNTS)

- It is a Certificate in prescribed Form 5, to be issued by Statutory Auditor of the Promoter
- It certifies
  1. Percentage of Project completed, as at year ended & as at date of Certificate
  2. Amount collected from Allottees of the Project, during the year & amount collected up to the date of Certificate
  3. Amount withdrawn from the Designated Bank Account of the Project, during the year & amount withdrawn up to the date of Certificate
  4. Utilization of the amount collected from Allottees, of the Project, only for the said Project & amount withdrawn from the Designated Bank Account of the Project, in accordance with proportion to the percentage of completion of the Project.
- It requires Statutory Auditor to specify, any exception &/or excess withdrawal, from the Designated Bank Account of the Project.

- The Explanation 2 to regulation 4 (a) of Maharashtra Real Estate Regulatory Authority (General) Regulations, 2017, requires Statutory Auditors, to reveal/report defects (if any) in the Certificate issued by Architect, Engineer or the Chartered Accountant, which were used by the Promoter, for the purposes of withdrawals from the Designated Bank Account of the Project.

**Note:-**

Explanation 2 to regulation 4 (a) of Maharashtra Real Estate Regulatory Authority (General) Regulations, 2017

If the Form 5 issued by the statutory auditor reveals that any certificate issued by the project architect, engineer or the chartered accountant has false or incorrect information and the amounts collected for a particular project have not been utilized for the project and the withdrawal has not been in compliance with the proportion to the percentage of completion of the project, the Authority, in addition to taking penal actions as contemplated in the Act and the Rules, shall also take up the matter with the concerned regulatory body of the said professionals of the architect, engineer or chartered accountant, for necessary penal action against them, including dismemberment.

- The Certificate in prescribed Form 5, is to be issued by the Statutory Auditor of the Promoter, who shall submit Audited Statements of Accounts, within the Six months, from the end of the every financial year i.e 30th September, as per the Proviso to Section 4(2)(D) of the RERA.

Refer Annexure downloaded copy of : Form 5 ANNUAL REPORT ON STATEMENT OF ACCOUNTS



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