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Chapter

# RERA Dashboard **RESI.COMM**

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**04.04.2023 || TUESDAY**

**VOLUME 13**

Dear Members,

Greetings!!!

We are very happy to share with you this 13th Newsletter on RERA.

RERA act gives more powers to the Real Estate Regulatory Authority to enforce its orders against any persons who have not complied with its order.

As per section 13 of the RERA act the promoter cannot collect more than 10 Percent of the cost of the apartment, plot, or building as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale, under any law for the time being in force.

Further the agreement for sale executed between the buyers and the promoter should be based on the model agreement for sale notified by the Government.

In the recent order the Uttar Pradesh Real Estate regulatory Authority (UPRERA) has imposed a penalty of Rs 30 lakh on Mahaluxmi Infrahome and Mahaluxmi Buildtech for collecting more than 10 percent of the unit cost from three buyers without signing and registering an agreement for sale, in violation of section 13 of the RERA Act. The authority has directed the promoter to deposit the amount within 45 days, failing which a penalty shall also be applicable as arrears on land revenue.

All the Plotting projects/Schemes should be registered with RERA; the civic bodies cannot issue the lease deeds without RERA registration. The Rajasthan RERA in one of the case has issued the warning letter to urban body and mentioned that, the penalties will be for not following the RERA Rules.

This newsletter consists of various orders passed by the Court and State RERA authorities and recent developments taking place in the realty sector.

Thank You.

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NEW DELHI Uttar Pradesh (UP) accounted for the largest share of dispute resolutions in the country with a 41 per cent of share of total cases closed by real estate regulatory authority (RERA), said Rajive Kumar, chairman, UP- RERA. He was speaking at the ASSOCHAM National Conference on real estate India held in New Delhi on Wednesday.

Ever since the RERA has been implemented in various states, close to one lakh projects and 71,514 agents have been registered to date while over 1 lakh cases of consumer disputes have been resolved, according to a report by ASSOCHAM- JLL Maharashtra accounts for the largest share of projects registration at 39 per cent, followed by Tamil Nadu with 13 per cent share and Gujarat with 11 per cent share. Agent registration grew from 33,270 as of January 2019 to 71,514 as of January 2023 translating to a CAGR growth of 21 per cent, according to the report.



UP-RERA will soon start grading projects and developers based on various parameters like financial quality, organizational structure, certifications, track records, compliance adherence and customer feedback, said Kumar.

Anand Kumar, chairman, real estate regulatory authority, NCT of Delhi estimated that the real estate market would expand at a rate of 9.2% till 2030. The RERA Act's adoption paved the ground for important changes that will benefit stakeholders and homebuyers going forward.

During the conference builders pointed out issues being faced by them and requested government officials if some solutions can be offered for ease-of-doing business. Stakeholders pointed out that in order for land pooling policy in Delhi to work, DDA should consider compartmentalising sectors for better and quicker development.

We are looking at various land pooling models being implemented in different states and cities and will be looking into the concerns of builder fraternity, said Vijay Kumar Singh, ICAS, finance member, DDA.

Responding to builders' query related to registry ban in Noida, Kumar said that the authority has been giving deemed occupation certificates (OCs) in specific cases where all criteria are met.

Vijay Kumar Goyal, member, Haryana RERA echoed similar views. He said that according to the RERA act, completion certificate is a must however they are considering part OC in case-to-case basis. In case of building map changes, he said that buyers/allottees' consent is a must and can't be compromised or altered.. He also said that buyers can seek refund "only" if the project is delayed but not in the case where project is on time. "We have dismissed some cases where the project was on time and still refund was being sought by the buyer"

Ravi Aggarwal, managing director, Signature Global (India) said that the construction ban during the November-December period every year creates a lot of problem for builders. In such conditions, authorities should allow force majeure clause or any other solution to provide relief to builder fraternity.

Responding to construction ban, Sudhir Chauhan, chief town planner, Faridabad Metropolitan Development Authority said that builders should rather utilise the time for other activities related to the project development. He also talked about development of illegal colonies in Aravalis, saying that Aravalis are one of the oldest settlements and it is our responsibility to protect it, hence construction can't be allowed in such areas.

Goyal added that the builders should factor in this duration while planning for the project timeline and in the builder-buyer agreement.



The Uttar Pradesh Real Estate Regulatory Authority (UPRERA) has imposed a penalty of Rs 30 lakh on Mahaluxmi Infracore and Mahaluxmi Buildtech for collecting more than 10 percent of the unit cost from three buyers without signing and registering an agreement for sale, in violation of section 13 of the RERA Act.

The authority has directed the promoter to deposit the amount within 45 days, failing which a penalty shall also be applicable as arrears on land revenue.

The authority also said that the agreement for sale executed between the buyers and the promoter was not based on the model agreement for sale notified by the Uttar Pradesh government.

Per provisions of section 13 (1) of the RERA Act, a promoter is not allowed to collect more than 10 percent of the unit cost from the buyer without signing and registering the model sale deed. This is mandatory in order to protect the interests of consumers.

A statement issued by the UPRERA on February 18 said that first two matters are in regard to residential units in the Migsun Ultimo project in Gautam Buddha Nagar, developed by Mahaluxmi Infracore, while the third was related to a commercial unit.

The promoter collected Rs 3.7 lakh from Priyanka Mattu Biswas between February 2019 to September 2019, which was almost 17 percent of the unit cost of Rs 23.12 lakh, and thereafter the promoter signed the sale deed in September 2019.

In the second matter relating to the same project, the promoter collected Rs 9.44 lakh from Rohit Gupta in July 2018, which was almost 33 percent of the unit cost of Rs 28.43 lakh, but signed the agreement only in January 2020.

The third matter pertained to the Migsun Migenet project in Ghaziabad, developed by Mahaluxmi Buildtech. Here, the promoter collected Rs 9.72 lakh from Daya Shankar Dubey in April 2019 for a commercial unit, which was almost 40 percent of the unit cost of Rs 24.45 lakh, but again, signed the agreement for sale only in January 2020.



"Taking the above facts into account, the authority has decided to impose a penalty of Rs 10 lakh for each violation. The authority has directed the promoter to deposit the amount, Rs 30 lakh, within 45 days, otherwise penalty shall be recovered as arrears on land revenue," the statement said.

Also Read: UPRERA imposes Rs 1.77 crore penalty on 11 developers over non-compliance with orders

Rajive Kumar, Chairman, UPRERA, said that the authority was taking strict action against erring promoters to protect the interests of homebuyers.

"The authority is fully committed to protect the interests of homebuyers, and the authority is taking all possible steps to regulate the real estate sector of the state according to the RERA Act," the statement quoted Kumar as saying.

Reacting to the development, Yash Miglani, MD, Migsun Group, said, "As per our knowledge, all units are allotted against a payment of 10 percent only. There could be some misunderstanding in these particular cases. Our legal team is doing a thorough scrutiny of these cases and our next course of action will be decided post the results of that scrutiny."



The rules of the regulatory authority state that every project registered with MahaRERA should have a separate designated bank account.



Mumbai: An analysis of the projects registered with the Maharashtra Real Estate Regulatory Authority (MahaRERA) showed that 1,781 of them have violated the rule by having the same bank account for multiple projects.

"There are 1,781 projects where the same designated bank account details have been updated for multiple projects. For this irregularity, the MahaRERA has sent show cause notices to 45 developers and more notices will be sent in the days to come," shared a MahaRERA official.

Appropriate action will be taken

In the show cause notices issued, the regulator has sought details such as total flats in the project, units sold, receipts, withdrawals, etc. Appropriate action will be initiated after a review of replies and supporting documentation sent in response to the show cause notices.

After the issue came to light, the software has been updated so as to avoid the same designated bank account details being updated against another registered project. In case a developer attempts to key in the same bank account for another project, the system will block the application.

The rules of the regulatory authority state that every project registered with MahaRERA should have a separate designated bank account. In other words, for each of the RERA registration numbers, one bank account is to be maintained. The money received from registration of the respective project should be kept in this dedicated account and used for the work of that particular project only. If the funds are diverted, it will have adverse effects on the project and legal consequences. The developer is also required to keep 70% of the money received from the sales of the project in this account.



He asked the LSG secretaries to exercise their right to serve stop memos on illegal projects.



## K-RERA seeks LSG help to curb illegal plot dvpt

EXPRESS NEWS SERVICE @TPuram

KERALA Real Estate Regulatory Authority (K-RERA) has asked local self-governments (LSGs) to pass on information about illegal plot development.

K-RERA chairman P H Kurian has asked the LSGs to pass on information about projects which do not have K-RERA registration and mandatory permits from them.

K-RERA registration and permits from the LSGs are mandatory for development projects on housing plots having an area above 500 sq metres. The chairman was addressing a meeting of officers of the Kochi Corporation and surround-



K-RERA chairman P H Kurian interacting with officers of the Kochi corporation and municipalities in Ernakulam

ing municipalities. He asked the LSG secretaries to exercise their right to serve stop memos on illegal projects. The K-RERA should be intimated on violations. Advertising or sales without K-RERA registration will be penalised.

THIRUVANANTHAPURAM: Kerala Real Estate Regulatory Authority (K-RERA) has asked local self-governments (LSGs) to pass on information about illegal plot development. K-RERA chairman P H Kurian has asked the LSGs to pass on information about projects which do not have K-RERA registration and mandatory permits from them.

K-RERA registration and permits from the LSGs are mandatory for development projects on housing plots having an area above 500 sq metres. The chairman was addressing a meeting of officers of the Kochi Corporation and surrounding municipalities.

He asked the LSG secretaries to exercise their right to serve stop memos on illegal projects. The K-RERA should be intimated on violations. Advertising or sales without K-RERA registration will be penalised.





KALYAN: The Enforcement Directorate (ED) investigating MahaRERA scam involving 65 developers in Kalyan-Dombivli is searching for the two architects who prepared and certified plan layouts of most of the buildings constructed illegally, but found that both architects have given wrong details about their firm and they are not traceable.

The ED is independently investigating MahaRERA scam suspecting the developers used black money to construct these buildings illegally, made revenue loss of state government and had obtained all fraud-related documents from concerned departments like KDMC as well as MahaRERA office.

The sources said ED, through documents, identified the two architects of two firms- Golden Dimension and Vastu Rachana, both of whom prepared most of buildings plans and layout for building permission for the fraudster developers.

The sources said that ED team last month visited Dombivli to search two architect firms at given addresses in Dombivli but found no any such office exists on the address and given mobile numbers of architects belong to someone else.

After failing to search both architects' offices, ED recently approached to The Indian Institute of Architects (IIA) for information about two firms but the IIA this week replied asking them to approach Council of Architects (COA) saying membership of architects with the IIA is voluntary but to practice profession of architecture, it is mandatory to register with COA



It may be recalled that a special investigation team (SIT) formed by Thane police who is also probing the case so far has only arrested 10 people including 5 developers and 5 people who fraudulently prepared forged documents for building permission in whole RERA scam.

The SIT in preliminary investigation has found that the developers did not take any permission of town planning department of KDMC as well as other concerned department and prepared forged documents of building permission and since then state government has made it compulsory for developers to get RERA certificates to sell any flat, these developers using loopholes of co-ordination between KDMC and RERA submitted forged building plan approval documents with RERA office and got RERA certificates for their project and used same sold flats by getting it registered throug register office.





Jaipur. The Rajasthan Real Estate Regulatory Authority (RERA) has issued directions to all local bodies to restrain from issuing lease deeds for plotting projects.

The RERA was formed on May 1, 2017, in Rajasthan, but even after that, urban bodies including municipality, UIT or development authority continue to issue leases of houses allotted to private developers or private account holders in plotted schemes in other big cities including Jodhpur, Kota, Ajmer. After receiving complaints, RERA authority issued a warning letter and mentioned penalties will be imposed for not following the rules.

Advocate, Mitesh Rathore said, "If a local body issues lease deeds without registration it shall be liable for penalty."

As per the RERA rule, if a promoter proposes to develop a project comprising nine or more plots, on a piece of land having an area of more than 500 sq. mtr, then the project is liable to be registered under RERA.

In the order it is mentioned that in other cities except Jaipur, private developers or private account holders are getting the layout plan of the colony approved by the concerned urban body (municipality, UIT or development authority), but not getting that scheme registered with RERA.

It was seen that houses and flats are being sold to the public, and urban bodies are issuing lease deeds in violation of rules. There is a provision that the urban bodies will not issue leases of such schemes until the private developer or private account holder gets his scheme registered with RERA



There is also a provision that civic bodies in cities should approve the scheme of private developers or private account holders in their area but put a condition that the houses or flats of this scheme will be sold only when the scheme is registered with RERA.

"If there is no registration in RERA, no action will be taken to issue regulation camp or lease of this scheme." said an official.

Bank accounts of builders missing from RERA meeting will be frozen

Sale of flats will be banned, instructions issued by UP RERA

Samvad News Agency

Greater Noida. The Uttar Pradesh Real Estate Regulatory Authority (UP RERA) will freeze the bank accounts of builders who remain absent in the review meeting of canceled real estate projects and stop the sale of flats. This decision has been taken in view of the continuous absence of the builders in the meetings.

UP RERA Secretary Rajesh Kumar Tyagi told that the builders who are continuously absent in the review meeting of the authority. Strict action will be taken against them. Bank accounts of absentee builders will be sealed soon. Sale of projects and flats will be banned. Registration of new projects of these builders can also be banned. RERA Secretary has issued an order to strictly follow it.



Actually such projects are being reviewed by UP RERA. Whose completion date has expired. But in this case the builders have not informed about the completion of the project. Also applied for extension of date for completion of the project. RERA officials are holding meetings with such builders. But many builders are not coming regularly in the meetings.

Projects of these builders included

Rudraksh Developers Pvt Ltd Lucknow, Skynet Interventures Pvt Ltd Prayagraj, SNG Developers Ltd Firozabad, SNG Developers Ltd Firozabad, Vaibhav Vision Builder & Developers Pvt Ltd Varanasi, Aakar Housing Developers Varanasi, Aastha Infra Projects Mathura, Anand (SB) Ashiana Kanpur Including projects of 18 builders.

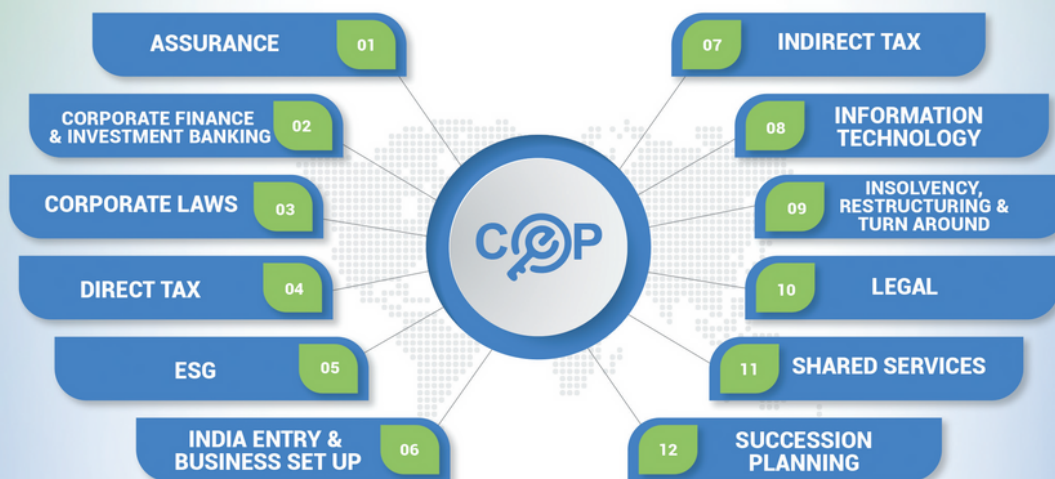




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