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Dear Members,

Greetings!!!

We are very happy to share with you this 16th Newsletter on RERA.

Homebuyers usually do not have clarity and information about various permissions in the housing sector, their liability of the developer, and the intricacies of various contracts. Always the RERA authorities are aiming to help homebuyers in decision making and boost their confidence. One such initiative was taken by the Maharashtra RERA is that, it is planning to start grading of real estate projects in the state based on a set criterion in a bid to make it easier for homebuyers to select a right project.

This will be the first such initiative by any RERA authorities in the country. To begin with, MahaRERA aims to provide ratings on projects and then grade the project promoters as well. Recently the West Bengal RERA has issued a notification wherein it is mentioned that projects coming up on a plot not exceeding 200 square metres (about three Cottahs) and six apartments would be exempt from obtaining registration under Real Estate (Regulation & Development) Act, 2016. Previously, projects coming up under 500 square meters (about 7.5 cottahs) and up to 8 apartments were exempted from obtaining registration from the RERA, which aims to protect buyers from malpractices in the real estate sector.

As this revised rule comes with immediate effect, projects falling under RERA's jurisdiction must obtain certification from the authority before their launch. Such projects must comply with various provisions outlined in the Act, ensuring adherence to quality standards and providing transparency in dealings with buyers.

This revision in the size criteria for RERA registration in Bengal is expected to bolster the confidence of homebuyers, who will now have greater legal protection and recourse against any malpractices in the residential real estate sector.

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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UP RERA: Charge taken for open car parking area justified



Kanpur: Real Estate Regulatory Authority Uttar Pradesh (UP RERA) passed a significant order in favour of Kanpur Development Authority (KDA) and upheld that the charge being taken by the KDA for the allocated open car parking area in favour of flat owners is justified.

One Diwakar Patel had challenged the amount demanded by the KDA in the head of the open parking area in the Signature City Scheme before the chairman, RERA. The petition was rejected by the chairman of the tribunal ordering that the authority has a right to receive the fee demanded from the complainant under the head of open parking area and the amount demanded in relation to the car parking allotted by the KDA will be paid by the complainant.



The chairman of RERA, clearing the confusion prevailing in this regard, clarified that according to the allotment book of the KDA if an open car parking area is being allotted to any allottee/flat owner, then KDA will have a legal right to receive that amount, said SB Rai, public relations officer.

More than 90 percent allottees had paid the amount demanded by the KDA under the head of allotment of car parking but a few allottees disputed demand and moved to RERA, Rai said.

Rera Feat: Against Rs 2k-cr RCs, total recoveries Rs 504cr in 6yrs



LUCKNOW: On the Twitter timeline of the apex real estate regulatory body UP-Rera, Shushant Goel posted: "I'm going to finish my life, because of red tapism. My hard earned money has been grabbed by fraud builders.... despite having a refund order by UP-RERA and Allahabad High Court, my refund has been denied," (sic). Buyer Pankaj Tiwari wrote on Twitter, "I have a 2018 recovery certificate order from UP- RERA, but till date, it has not been executed."

There are scores of such tweets on UP-Rera's Twitter handle. A homebuyer Har Srivastava wrote on Twitter, "For several years, we have been fighting a case to get our money back. Earlier, my father used to pursue the case at UP-Rera, but he passed away two years back, so now I'm pursuing it. We have no family income source and are in desperate need for money. Please settle our case."

According to a report submitted before Allahabad high court, UP-Rera has since its inception in 2017 (first case taken on September 4, 2018), issued 6,866 recovery certificates (RCS) for Rs 2,125 crore but recovered only Rs 504 crore in 2,558 RCs, including partial recovery of Rs 101 crore in 1,132 matters.

The body claimed in its report that additional Rs 184 crore was recovered with mutual settlement between homebuyers and promoters/builders, according to data till March 31, 2023.

When TOI asked why has it failed to give relief to such a large number of homebuyers, UP-Rera chairperson Rajive Kumar said, "Recently, Wave Megacity Centre submitted a cheque for Rs 101.36 crore against RCs issued by UP-Rera within 11 months. Till date, the regulatory body has helped recover Rs 800 crore in 3,350 matters, either through RCS or settlement between homebuyers and promoters."

"After the pandemic, district administrations picked up pace and recovered the amount of the RCs. It sends reminders every month, within the first week, to district administrations for recovery. Promoters are coming forward to settle their recovery certificates to bring down their liabilities and complete the projects which are forecasting a promising viability," he added.



Maharashtra RERA to start grading of real estate projects, promoters

The Maharashtra Real Estate Regulatory Authority (MahaRERA) is planning to start grading of real estate projects in the state based on a set criterion in a bid to make it easier for homebuyers to select a right project.

This will be the first such initiative by any RERA authorities in the country. To begin with, MahaRERA aims to provide ratings on projects and then grade the project promoters as well.

Homebuyers usually do not have clarity and information about various permissions in the housing sector, the reliability of the developer, and the intricacies of various contracts. The authority is aiming to help homebuyers in decision making and boost their confidence.

MahaRERA has prepared a detailed proposal to set the criteria and procedure to determine such rating of real estate projects. It has invited suggestions and objections of various stakeholders on the same by July 15.

This grading mechanism will be applied to projects registered after January 2023. The rating of the projects will be announced twice a year and based on the information from October 2023 to March 2024, Maharashtra is aiming to prepare the first rating list available from April 2024.

As part of its exercise to empower homebuyers, MahaRERA has already made it mandatory for developers to use Quick Response (QR) codes containing all project information with all advertisements from August 1.

According to the authority, the decision to start grading of real estate projects is aimed at improving transparency, ensuring the rights of the homebuyers are protected, and reliable information is available about the project in which they have invested or looking to invest.

MahaRERA will consider several factors to determine the rating of any project. These factors will include financial viability of the project, technical approvals from competent authorities, pending litigations, and various compliance reports to be updated on the MahaRERA portal within the prescribed period.



The authority will implement the process of determining this rating in a phased manner as the criteria for such grading is known to developers and sufficient time is provided for the same.

The objective information of the project is expected to be announced including project details, location, developer, facilities etc in the first phase.

In technical details, Commencement Certificate (CC), quarterly, annual compliance report, booking percentage, etc will be provided. Financial details will include financial liabilities, financial progress of the project, annual audit certificate etc. Legal details will show if there are any cases against the project, complaints, warrants issued by MahaRERA etc.

Four important snapshots of the project will be released in the second and final phase based on the above information to determine the ranking. It will contain project overview, technical, financial, and legal details of the project.

Karnataka to implement law to prevent registration of plots without RERA nod

BENGALURU: To curb the menace of unauthorised layouts in the state, the government will consider introducing a law to prevent the registration of plots without the permission of the Karnataka Real Estate Regulatory Authority (K-RERA), said Housing Minister Zameer Ahmed Khan.

After holding a progress review meeting of K-RERA here on Tuesday, he pointed out several instances of layout developers selling plots within project limits without obtaining RERA permission and also developing layouts on disputed lands. "This has put site buyers in trouble. To avoid this, a law will be introduced to stop the registration of plots without RERA permission," he said, adding that it will be discussed with the revenue department.



He said strict action will be taken if the builder, developer or promoter harasses property buyers by not handing over the plot within the stipulated time as per agreement. "There have been allegations of builders demanding more than the contract amount and such issues will be taken up seriously. Stringent action will be taken against cases of cheating," he added.

He said the number of complaints within RERA limits is on the rise and it has become difficult to manage. "It is also a challenge to control the menace of unauthorised colonies. To solve this, a RERA office will be set up at the divisional level. A rule will be introduced that occupancy certificates cannot be issued without RERA permission," he said.



He expressed his displeasure over pending fines and said the deputy commissioner and BBMP commissioner should meet the companies that have defaulted and warn them of not giving permission to build new projects.



Promoter fined Rs 16L for delay in handing over flat

NOIDA: A Delhi-based man has received around Rs 16 lakh as a delayed penalty from the promoter of a residential complex project in Noida which handed over a flat to him five years after the promised deadline. According to Uttar Pradesh Real Estate Regulatory Authority (RERA), the buyer had booked the flat in Mahagun Mezzaria in Sector 78 of Noida in 2017 and paid Rs 1.35 crore to its promoter NexGen Infracon.

"The promoter had promised to deliver the flat in December 2018. However, following a delay in handing over the possession of the flat and with no resolution in the payment of a penalty, the buyer approached RERA in 2021," the authority said in a statement.

The UP RERA was established in 2017 to regulate the fast-growing real estate sector in the state as well as bring transparency, protect the interest of home buyers and ensure speedy resolution of the disputes of consumers and builders.

According to a RERA official, the promoter had later pledged to hand over flat to the buyer in 2021. Since the promoter did not honour the conditions of the builder-buyer agreement, the matter reached the RERA for resolution, he said.

Upon hearing the complaints, UP RERA passed an order in favour of the home buyer. "During further proceedings for execution of the order, the promoter handed over the flat to the home buyer meeting all conditions along with a delay penalty of around Rs 16 lakh earlier this week. The satisfied home buyer has submitted a copy of the possession with the local authority," he said.



39 delisted real estate projects await final cancellation by RERA

PUNE: While many flat buyers are anxious on the one hand, the Maharashtra Real Estate Regulatory Authority (RERA) on the other hand has given them a 15-day window to submit suggestions/objections to its decision of delisting 39 projects in the city in response to applications for deregistration submitted by the respective real estate developers.

According to the RERA Act, 2016, all real estate projects must be registered with the RERA in the respective states where they are being executed. According to the Act, no one may book, sell, market or advertise a specific property without first registering it with the RERA. In Maharashtra, projects registered with the Maha RERA are issued a certificate with a unique registration number. The regulator has the authority under sections 7 and 5 of the RERA Act, 2016, to revoke the registration of Maha RERA projects if the promoter (developer) is found engaging in non-compliance or any unfair practices.

In a bid to check if any rights/claims of any buyer/s are pending, the Maha RERA has released a public notice on its portal seeking objections from home buyers within a timeframe of 15 days. The reasons for delisting the project include unviable projects coming to a standstill, lack of project funds, changes in government regulations, and internal disputes. It was in February that the permission to delist was granted by the Maha RERA. A RERA official said that if no claims are received, all 39 projects will be deregistered.

According to Maha RERA, a project's registration number does not remain forever and there can be events in which the number/s lapse or can be revoked. The Maha RERA notice states, "There is a situation herein where the project in itself, as was planned, is now sought to be abandoned. This in effect means that there will be no project available for allotting premises, as was promised. In such a situation, one has to look for a legislative remedy to force the hand of a promoter (developer) to complete a project which he wants to abandon. Unfortunately, there is no provision in the said Act which provides a path for forcing a promoter to complete a project which the promoter has voluntarily come forward to say that he is unable to complete in the present form."



The notice reads, "Further, it is not the case of any of the respondents (buyers who challenged the termination of the allotment) that the applicant-promoter is unable to complete the said project due to financial fraud or misappropriation of the monies provided by the allottees. Thus, this authority sees no mechanism to force the hand of a developer where a case of fraud or misappropriation is not made out."

Prominent builder and owner of Dorabjee real estate, Jehangir Dorabjee, said, "The RERA delisting encourages real estate developers who are unable to proceed with or complete their projects to consider the option of deregistration. Developers are exploring this option in case the real estate project is commercially unviable for them to complete within the stipulated deadline."

Manish Ghule, a customer who had invested in a project at Ambegaon Budruk, said, "My real estate developer contacted me for the refund and the same has been credited to my account. I believe not everybody is as lucky as buyers suffer terrible losses due to sudden halting of projects in which they have invested their life's money."

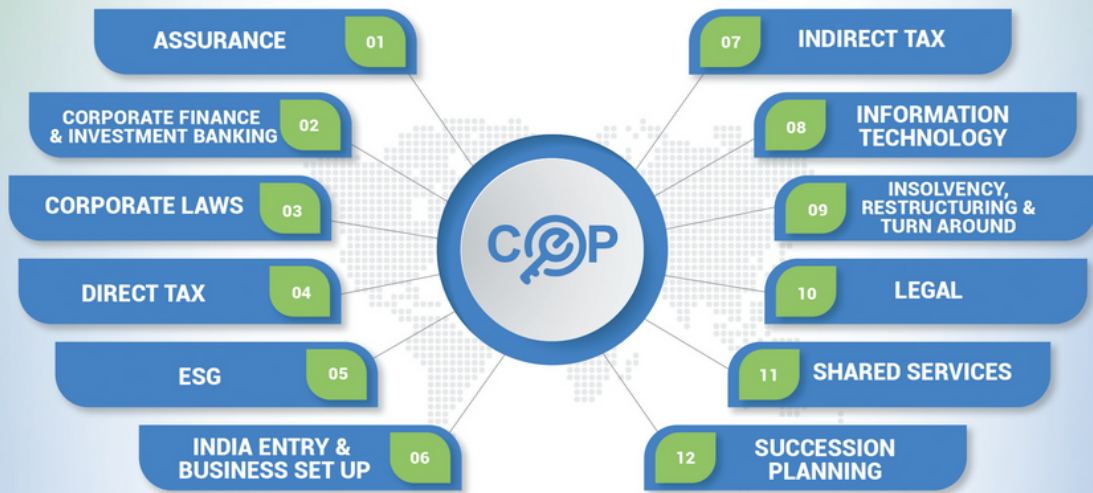
Maha RERA a hurdle in the path of those trying to cheat home buyers: Devendra Fadnavis



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