



**The Institute of  
Chartered Accountants of India**  
(Set up by an Act of Parliament)



# ALL VIDARBHA CONCLAVE

• Organised by •

**ICAI Nagpur Branch (WIRC)**

• Supported by •

**ICAI Akola Branch (WIRC), ICAI Amravati Branch (WIRC),  
Wardha CPE Chapter, Chandrapur CPE Chapter,  
Yavatmal CPE Chapter, Gondia CPE Chapter**

**Saturday & Sunday, 10<sup>th</sup> & 11<sup>th</sup> August, 2024**

**Hotel Center Point, Ramdaspath, Nagpur**



# Session



**CA. Vinay Thyagaraj, B.Com., LLB,  
Partner, M/s. Venu & Vinay  
Chartered Accountants  
Bengaluru**

**Session is on  
RERA interplay with GST, Income Tax,  
Banking, IBC etc**



# Presentation Overview - Contents

1. Basics and RERA Big Picture
2. Background and Basics of RERA
3. Transformation in Real Estate - RERA Act 2016
4. Information available in Public Domain – RERA
  - a. Registration – Mandatory and Documents available
  - b. Quarterly Progress Report (QPR)
  - c. Transfer of Project – New Promoter
5. RERA and Other Laws - interplay
6. Important and practical case study
7. PAN India RERA

# RERA - Big Picture

1. 2nd Largest GDP contributor – After Agriculture
2. 2nd Highest employment creation – After Agriculture
3. 1st in Tax / Revenue to the Government
4. Contributes 8 % and projected 13 % to India's GDP
5. First Real Estate Facts is Online Presence
6. World's 2nd Highest Number of Households
7. Asia's 2nd Largest Residential Colony – Spread 900 Acres
8. Fifth Real Estate Facts is The Increasing Demand
9. Private Sector Investment – Post RERA – opened to all
10. Fastest constructed building in the world is in India
11. Rising demands – Highest ever
12. Investments pour in – Domestic and FDI





# Objectives – RERA

1. Ensure **Accountability** towards Allottees and Protect their Interest;
2. Infuse **Transparency**, Ensure Fair-play and Reduce Frauds & Delays;
3. Introduce **Professionalism** and Pan India Standardization;
4. Establish Symmetry Of **Information** between the Promoter and Allottee;
5. Imposing Certain **Responsibilities** on both Promoter and Allottees;
6. Establish **Regulatory** Oversight Mechanism to Enforce Contracts;
7. Establish Fast- Track **Dispute** Resolution Mechanism;
8. Promote Good **Governance** in the sector which in turn would create investor confidence;



# Score Board - PAN India

1,30,186

Real Estate  
Projects  
Registered

88,461

Real Estate  
Agents have  
registered

1,24,947

Complaints  
have been  
disposed off  
By RERA

Continuous  
Monitoring



# RERA – Covers the Aspects of

**PRIOR**  
Registration of  
Real Estate **Project**

Registration of  
**Agent** / Channel  
Partners

Standardisation  
Builder Buyers  
**Agreement** (BBA)  
Or  
Agreement of Sale

70 % of **Funds** for the  
Specific Projects /  
Financial Management

Formation of  
**Association** of Allottees  
once majority of units  
are booked

**Advertisement** with  
RERA Registration  
number

**Monitoring**  
Quarterly Filing  
and Annual Audits

**Defect Liability**  
for  
5 years

Sale of Apartment  
Based on **Carpet**  
**Area Only**



# RERA – Covers the Aspects of

Delayed Rate of **Interest** – Promoter and Allottee- Same

Allottees having first Right of Refusal in case of Takeover

Estimated Cost of the Project at the Time of Registration

Involvement of **Professionals**

Penalty for non-compliance - Highest

Landowner and Developer both are responsible under the Act as Promoter

Title Defect - Lifetime warranty

Complaints before RERA – No Civil Court Jurisdiction

**Insurance on – Title and Construction**





# RERA – Documents Available / Required

1. **KYC of the Promoters** and organization documents
2. Legal **Title Documents** including Title Search Report
3. **Plan Sanction** and NOC related,
4. **Area Statement** – Carpet, Builtup, Parking Area, Common Area
5. **Estimated Cost of the project (Land and Building)**, RERA Separate Project Bank Account, Source of Funds
6. **Legal Draft** – Allotment Letter, Agreement of Sale, Sale Deed
7. **Professionals associated for the project** – Architect, CA, Structural Engineer
8. **Affidavits**, undertaking
9. **Specifications**, Facilities, Amenities
10. Mortgage, Litigations,



# Maha RERA – CA Certificate

|    |  |
|----|--|
| 3. | Total Cost of the Project (Actual incurred as on date of certificate)                                    |
| 4. | Proportion of the Cost incurred on Land Cost and Construction Cost to the Total Estimated Cost.(Table A) |
| 5. | Amount which can be withdrawn from the Designated Account.   |
| 6. | Less: Amount withdrawn till date of this certificate from the Designated Account.                        |
| 7. | Net Amount which can be withdrawn from the Designated Bank Account under this certificate.               |

\*Pass through charges or indirect taxes not included in incurred cost of the project (*Note52*)



# Maha RERA – CA Certificate

Table C(*Note53*)

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

### Sold Inventory- (*Note54*)

| Sr. No.           | Flat No.          | Carpet Area<br><br>(In sq.mts.) | Unit Consideration as per Agreement/<br>Letter of Allotment | Received Amount<br><br>( <i>Note55</i> ) | Balance Receivable<br><br>( <i>Note56</i> ) |
|-------------------|-------------------|---------------------------------|---|--|---|
| ( <i>Note57</i> ) | ( <i>Note58</i> ) | ( <i>Note59</i> )               | ( <i>Note60</i> )   | ( <i>Note61</i> )                        | ( <i>Note62</i> )                           |
| Total             | ( <i>Note63</i> ) | -                               | ( <i>Note64</i> )   | ( <i>Note65</i> )                        |   |

\*Unit consideration as per agreement/letter of allotment and amount received does not include pass through charges and indirect taxes (*Note66*)

# Maha RERA – CA Certificate

## (Unsold Inventory Valuation) (Note67)

| Sr.No.   | Flat No  | Carpet Area in Sq.Meters | Unit Consideration<br>as per Ready<br>Reckoner Rate (ASR)<br>(Note68) |
|----------|----------|--------------------------|---|
| (Note69) | (Note70) | (Note71)                 | (Note72)  |





# Maha RERA – CA Certificate

**Table E(***Note82***)**  
**Designated Bank Account Details**

| <b>S. No,</b> | <b>Particulars</b> | <b>Designated Bank Account Details</b><br><b>Actual Amount till Date (From start of bank account to till date) (</b> <i>Note83</i> <b>)</b> |
|---------------|--------------------|---|
| 1.            | Opening Balance    | <i>(Note84)</i>   |
| 2.            | Deposits           | <i>(Note85)</i>   |
| 3.            | Withdrawals        | <i>(Note86)</i>   |
| 4.            | Closing Balance    | <i>(Note87)</i>   |

# Maha RERA – CA Certificate

**Table F(***Note90***)**  
**Means of Finance**

| <b>S. No.</b> | <b>Particulars</b>   | <b>Estimated*<br/>(At time of<br/>Registration)<br/>(In ₹.)<br/>(Proposed and<br/>Indicative)<br/>(</b> <i>Note91</i> <b>)</b> | <b>Proposed /<br/>Estimated<br/>(As on the date<br/>Of the<br/>certificate)<br/>(In ₹.)<br/>(</b> <i>Note92</i> <b>)</b> | <b>Actual<br/>(As on the date<br/>of certificate)<br/>(In ₹.)<br/>(</b> <i>Note93</i> <b>)</b> |
|---------------|--|--|--|--|
| 1.            | Own Funds  | ( <i>Note94</i> )  | ( <i>Note95</i> )  | ( <i>Note96</i> )  |
| 2.            | Total Borrowed Funds (Secured)<br>- Drawdown availed till date   | ( <i>Note97</i> )  | ( <i>Note98</i> )  | ( <i>Note99</i> )  |
| 3.            | Total Borrowed Funds (Unsecured)<br>- Drawdown availed till date | ( <i>Note100</i> )   | ( <i>Note101</i> )   | ( <i>Note102</i> )   |
| 4.            | Customer Receipts used for Project                               | ( <i>Note103</i> )   | ( <i>Note104</i> )   | ( <i>Note105</i> )   |
| 5.            | Total Funds for Project  | ( <i>Note106</i> )   | ( <i>Note107</i> )   | ( <i>Note108</i> )   |
| 6.            | Total Estimated Cost (As per Table A)                            | ( <i>Note109</i> )   | ( <i>Note110</i> )   | ( <i>Note111</i> )   |

# RERA – Role of Professionals



**ENGINEER**



**Obtain the Certificates from A C E for withdrawal of funds  
from the RERA Separate Account**



## RERA – Compliances

1. Filing of Quarterly Progress Reports (QPR) – 15<sup>th</sup> days from the end of Quarter
2. **Audit of Accounts of the Real Estate Project – with in 6 months from the end of the financial year**
3. Change of Separate Bank Account / Any Changes in Registration





# RERA – Quarterly Progress Report (QPR)

1. Total Number of Units Sold / Unsold
2. Total Amount of Consideration Received / Balance Receivables
3. Status of Development Works in the Project
4. % of Completion of the Project with Photographs
5. Professional Certificates – Architect, Engineers, Chartered Accountants
6. Separate Bank Account Statement for the Quarter
7. Borrowings and Encumbrances
8. Litigation on the project land



# RERA – Audit of Accounts under RERA

1. Total Amount received from the Allottees during the year and Since inception
2. Total Amount incurred during the year and Since inception
3. Source of Funds for the project – own, borrowings



# RERA – Completion of Project

1. On receipt of Completion certificate and on completion of development works in the project.
2. Copies of different of NOC's received from statutory authorities – PCB, Fire, Electricity, Water etc
3. Total Number of units sold / unsold units
4. Total Amount received Since inception
5. Total Amount of expenses incurred Since inception
6. Status of formation of Association, handover of the corpus etc

# RERA – Challenges FOR ALL – but to Overcome

1. Group Level
2. Business Wise
3. Location Wise
4. Project Wise
5. RERA – Phasewise Wise





# Statistics and Professional Services

## Registration in Maharashtra

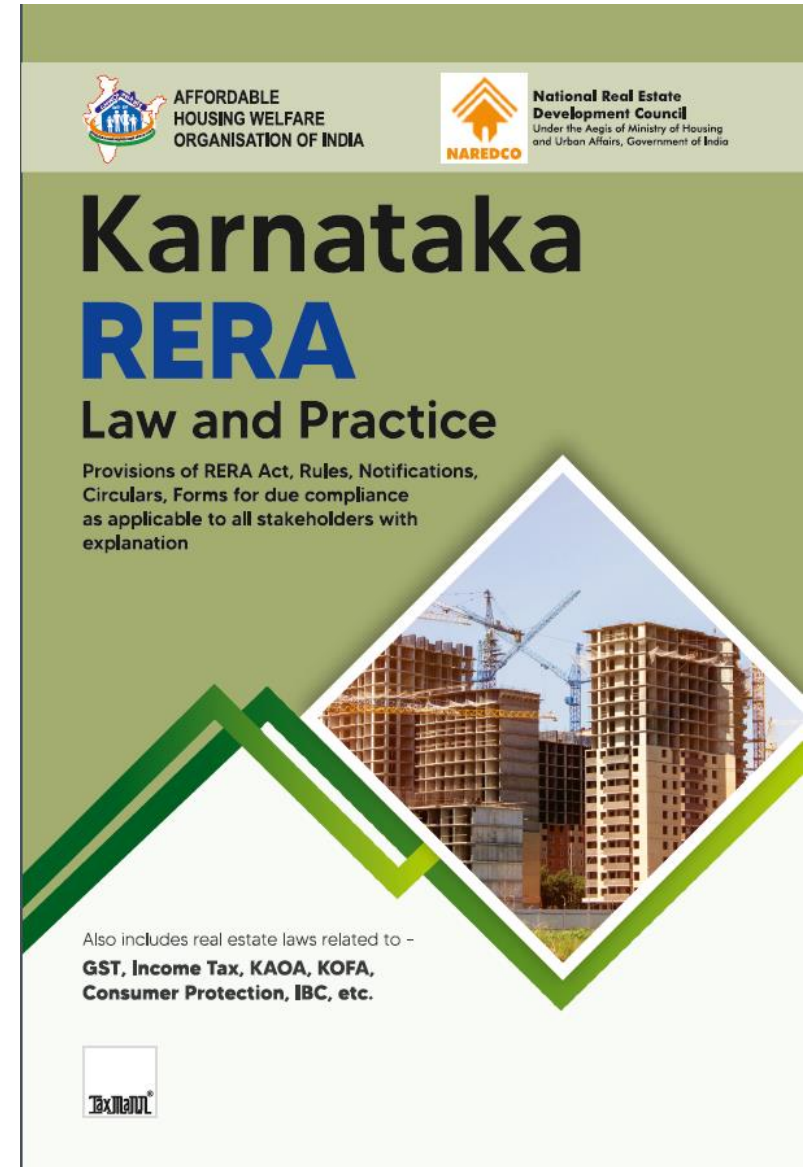
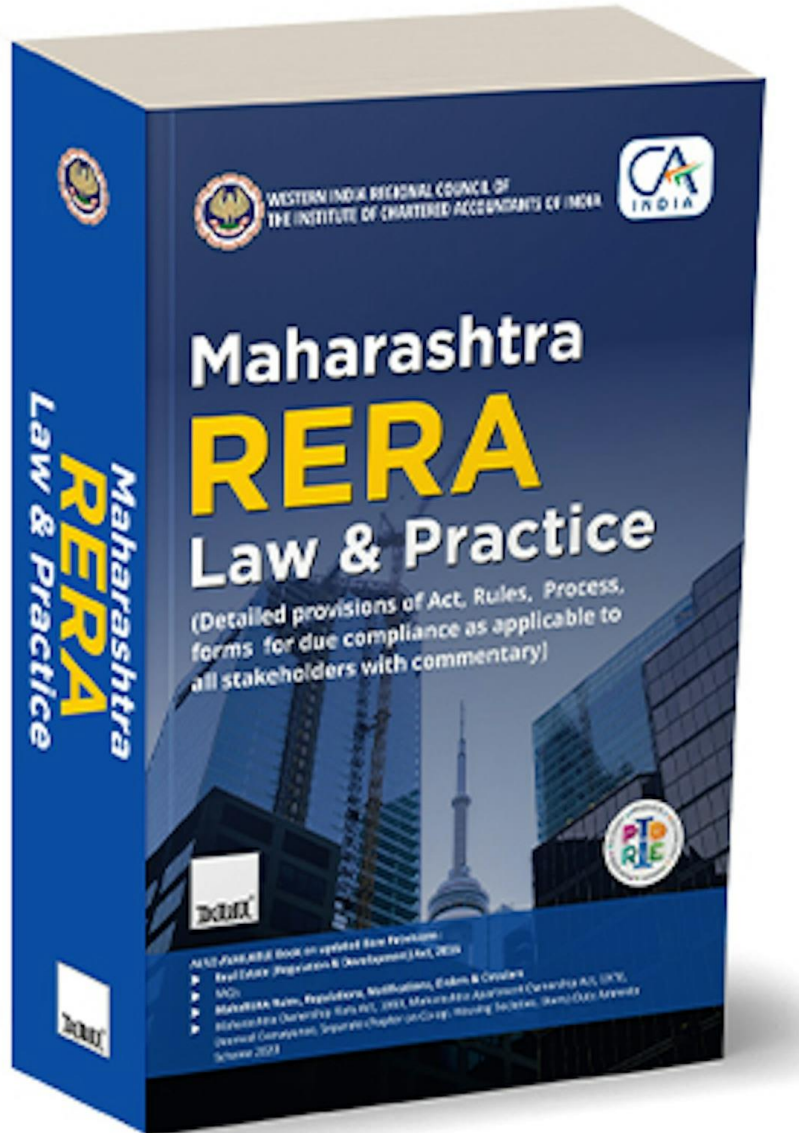
| Type         | Application Received | Application sent back for More Information | Application under Scrutiny | Registration Granted | Completed Projects as per Form 4 |
|--------------|----------------------|--|----------------------------|----------------------|----------------------------------|
| Project      | 48,434               | 1,110                                      | 125                        | 47,199               | 15,553                           |
| Agent        | 49,521               | 1,771                                      | 94                         | 47,656               | -                                |
| <b>TOTAL</b> | <b>97,955</b>        | <b>2,881</b>                               | <b>219</b>                 | <b>94,855</b>        | <b>15,553</b>                    |

# Statistics and Professional Services

## Registration in Vidarbha

| City         | Application Received | Application sent back for More Information | Application under Scrutiny | Registration Granted | Completed Projects as per Form 4 |
|--------------|----------------------|--|----------------------------|----------------------|----------------------------------|
| Nagpur       | 2,402                | 61   | 6                          | 2,335                | 715                              |
| Akola        | 109                  | 6  | -                          | 103                  | 33                               |
| Amaravati    | 421                  | 10   | -                          | 411                  | 149                              |
| Wardha       | 281                  | 10   | -                          | 271                  | 161                              |
| Chandrapur   | 218                  | 10   | -                          | 208                  | 86                               |
| Yavatmal     | 64                   | 3  | -                          | 61                   | 29                               |
| Gonda        | 3                    | -  | -                          | 3                    | -                                |
| Gadchiroli   | 10                   | -  | -                          | 10                   | 2                                |
| Buldhana     | 56                   | 6  | -                          | 50                   | 16                               |
| Washim       | 29                   | 3  | -                          | 26                   | 7                                |
| <b>TOTAL</b> | <b>3,593</b>         | <b>109</b>                                 | <b>6</b>                   | <b>3,478</b>         | <b>1,198</b>                     |

Written by 100 PLUS Chartered Accountants





# INTERPLAY between

GST

Income Tax

Banking

IBC





## Means of Finance / Source of Funds for the Project

1. Authority has made it mandatory that the promoter shall prove there is a source of funds for the project construction
2. It is observed by the authority that the promoter is spending money and raising money without transacting in the promoter entity
3. In order to bring discipline and Transparency, SoF concept is introduced

## Balance Sheet FY 2022-23 Sample

Balance Sheet as on 31-03-2023

| Particulars  | Schedule | As at<br>31.03.2023   | As at<br>31.03.2022   |
|--|----------|-----------------------|-----------------------|
|  |          | Rs.                   | Rs.                   |
| <b><u>1) Sources of Funds</u></b>                                      |          |                       |                       |
| a) Partner's Capital   | 1        | 1,00,000              | 1,00,000              |
| b) Partners Current A/e & Loans  |          | -                     | 2,94,821              |
| c) Loan Funds  | 2        |                       |                       |
| Secured Loans  |          | 12,66,31,548          |                       |
| Unsecured Loans  |          | 1,53,50,57,515        | 1,13,65,54,352        |
| d) Current Liabilities & Provisions                                    | 5        | 3,36,47,688           | 48,40,055             |
| <b>TOTAL</b>   |          | <b>1,69,54,36,750</b> | <b>1,14,17,89,228</b> |
| <b><u>2) Application of Funds</u></b>                                  |          |                       |                       |
| a) Fixed Assets  | 3        |                       |                       |
| Gross Block  |          | 6,67,50,085           | 99,20,57,300          |
| Depreciation   |          |                       |                       |
| Net Block  |          | 6,67,50,085           | 99,20,57,300          |
| b) Inventories   |          | 1,24,38,00,365        | 28,824                |
| c) Current Assets, Loans & Advances                                    | 4        | 38,47,61,299          | 14,95,78,104          |
| d) Miscellaneous Expenditure to the extend not written off or adjusted | 6        | 1,25,000              | 1,25,000              |
| <b>TOTAL</b>   |          | <b>1,69,54,36,750</b> | <b>1,14,17,89,228</b> |

As per Books of Accounts compiled and information provided to us.

For \_\_\_\_\_

## Balance Sheet FY 2022-23 Sample

Schedules forming part of Balance Sheet and Profit & Loss Account

| Particulars  | As at<br>31.03.2023<br>Rs. | As at<br>31.03.2022<br>Rs. |
|--|----------------------------|----------------------------|
| <b>Schedule 1: CAPITAL</b>                               |                            |                            |
| Partner's Capital account                                | 1,00,000                   | 1,00,000                   |
|  | 1,00,000                   | 1,00,000                   |
| <b>Schedule 1: Partners Current A/c &amp; Loans</b>      |                            |                            |
|  | -                          | #REF!                      |
| <b>Schedule 2 : LOAN FUNDS</b>                           |                            |                            |
| Secured Loans  | 12,66,31,548               |                            |
| Unsecured Loans  | 1,53,50,57,515             | 1,13,65,54,352             |
|  | 1,66,16,89,063             | 1,13,65,54,352             |
| <b>Schedule 3 : FIXED ASSETS</b>                         |                            |                            |
| Property at Mandur                                       | -                          | 29,49,56,615               |
| Property at Gunjur                                       | -                          | 48,67,69,830               |
| Property at Samethanahalli                               | 3,65,23,366                | 21,03,30,855               |
| Property at Narayanakere                                 | 2,74,54,544                |                            |
| Other Office Related Assets                              | 27,72,176                  |                            |
|  | 6,67,50,085                | 99,20,57,300               |
| <b>Schedule 4 : CURRENT ASSETS &amp; ADVANCES</b>        |                            |                            |
| Cash in Hand   | 1,07,100                   | 87,920                     |
| Cash at Bank   | 6,35,93,610                | 2,46,32,219                |
| Deposits(Assets)   | 6,65,06,029                | 1,93,46,728                |
| Loans & Advances   | 25,23,25,812               | 10,43,23,059               |
| Accrued Interest   | 4,46,692                   | 6,90,596                   |
| Tds  | 1,94,097                   | 1,05,781                   |
| Credit Card & Other Tds Reimbursement                    | 9,32,954                   |                            |
| Salary Advance   | 6,55,006                   | 3,91,800                   |
|  | 38,47,61,299               | 14,95,78,104               |
| <b>Schedule 5 : CURRENT LIABILITIES &amp; PROVISIONS</b> |                            |                            |
| Audit Fee  | 4,61,600                   | 1,36,600                   |
| A Amaranath  | -                          | 25,000                     |
| Sundry Creditors   | 87,41,843                  | 57,650                     |
| GST  | 8,20,447                   |                            |
| TDS Payables   | 14,49,144                  | 4,15,057                   |
| JDA Payable  | 41,62,499                  | 41,62,499                  |
| Provisions   | 9,51,510                   |                            |
| Provision for Income Tax                                 | 4,49,480                   | 43,249                     |
| Advance Received   | 1,66,11,165                |                            |
|  | 3,36,47,688                | 48,40,055                  |



# Uniformity of DATA and Details Across Statute / Agencies

1. GST and RERA
2. Income Tax and RERA
3. Bankers and RERA
4. Lenders and RERA
5. Books and RERA
6. Investors and RERA
7. RERA – Regulatory Authority
8. Company's Act – Agreement Clauses – for delay compensation
9. Accounting Standards / SA Prudence - AO, Authority, REAT orders – provision made in books of accounts







## RERA and Information available

Analysis of Information / Various Reports vis-à-vis – Financial Statements –

- a. Income Tax – 26 AS, TDS, 194 IA
- b. Goods & Services Tax Act
- c. Cost Reports

# Revenue / Income / Supply

| Particulars      | GST  | Income Tax | Accounts / Companies Act                          |
|------------------|--|------------|---|
| Revenue          | Time of Supply – Sec 13                            | ICDS       | AS 7  |
| Basis            | Demand Note  |            | % of Completion                                   |
| Classification   | Composite Supply – All are treated as Sale of Flat |            | Category wise split as income under various heads |
| Deemed Liability | Yes – RCM Development Right                        | NO         | NO  |
| Deemed Revenue   | Yes – Sch I Movement from one GSTN to Other        |            |   |



# Supply V/s. Income

## What constitutes supply in GST need not constitute income under Income Tax:

*In GST the following is also Supply*

1. Stock transfer of goods between Chennai and Ahmedabad
2. Inter-unit billing within the company
3. Advances for services would be liable to GST
4. Related party transactions – open market value or cost plus 10%



# Supply V/s. Income

## Income Tax Assessment:

1. Financial statements and GST returns will not match
2. GST returns and IT returns do not match
3. Reconciliation in Table 5 of GSTR 9C can be good source of reconciliation and reasons for Differences
4. What is supply is not necessarily income like Advance from Customers





# Supply V/s. Income

## What constitutes income need not constitute supply:

### 1. Sale of land or building

1. Not treated as supply in GST and hence not liable to tax
2. While Income tax is applicable on such sales

### 2. Development Right

1. GST is payable on presumptive basis under Reverse charge Mechanism
2. This is not treated as Cost under Income Tax

### 3. Deemed Sales

1. Units handed over the Landowner are treated as supply in GST
2. Sold to end customers are only sales under Income Tax

### 4. Additional liability

1. Purchases from un-registered dealers beyond 20% is deemed to be taxed in GST
2. No such deeming cost in Income tax other than non-compliance with TDS



# Supply V/s. Income

## What constitutes income need not constitute supply:

Number of services exempt through notifications in GST but liable to income tax –

- a. Renting of residential dwelling for use as a residence
- b. Sale of units post completion of the project



# Income Tax / Partnership

1. Income Tax – Contribution of Capital Asset by the partner into the Firm
2. Will this be sufficient for RERA
3. Will there be entry in the Revenue Records – so before advice this model, check with RERA test



# Income Tax – RERA - Brokerage

1. RERA Mandates the appointment of Registered Agent for marketing the Real Estate Project
2. Whether brokerage paid as per books of accounts only to Registered Agent or not





# AIS / TIS – Income Tax

1. AIS – Annual Information System
2. TIS - Taxpayer Information System
3. It is a statement of financial transactions furnished by various entities in respect of a PAN/taxpayer, collated by the tax department based on PAN
4. Data source – SFT Filing and TDS filing
5. 26 QB Information
6. 194 IA Information





KNOW THE LAW  
**ADAPTABILITY BETWEEN  
RERA AND IBC**

# RERA / IBC

1. Each Case is unique
2. To protect allottees, RERA is more effective and beneficial
3. E.g., Geetanjali Infra – Mehul Chokshi, Neerav Modi
4. Nitesh Estates (multiple projects)– RERA Karnataka -
5. LGCL Pueblo – RERA Karnataka
6. Skylark – Karnataka – through IBC – over 5 years



# Annual Audit Form 5

1. Annual Audit Certificate in Form 5
2. Detailed Audit Report to capture the entire year transactions
3. Receipts – Allotees + Loans
4. Incurred – Expenses + Repayment
5. Liabilities – on the project
6. Other Compliances – Sec 4(2)(L)(D), Section 13, Section 14
7. Orders of the Authority, AO and REAT and liabilities thereon






# Completion under RERA

1. CA Certificate in Form 4 CC – detailed one
  - a) Including Association formation
2. Other Details – Certificates, Documents
3. All NOC's
4. Photographs





# Accounting of Liabilities in the books of Accounts

1. Orders of the Authority, AO and REAT and liabilities thereon
2. Whether TDS made is not
3. Whether Liability is created in the books of Accounts of the Promoter
4. How is the quantification
5. Any qualification by a CA

## Odisha: ORERA Imposes Rs 90 Lakh Penalty On Realter For Violating Act Provisions

Bhubaneswar: In a stern action to deter violators, the Odisha Real Estate Regulatory Authority (ORERA) has imposed a fine of Rs 90 lakh on a promoter-builder for allegedly flouting the legal provisions and undertaking unauthorised construction.

Besides imposing the penalty on Evos Buildcon Pvt Ltd, ORERA also ordered demolition of three additional floors of an apartment constructed by the firm at Sipasarubali in Puri in violation of the provisions of the Odisha Real Estate (Regulation and Development) Act, 2016.

ORERA had taken up a suo motu case and imposed the fine on the Bhubaneswar-based promoter for going against the building plan permission approved by the Puri Konark Development Authority (PKDA).

While it was given permission for constructing seven storey structure in the residential apartments, the builder built three extra floors. After examining the documents and obtaining facts from PKDA, ORERA ordered demolition of the unauthorised construction of eighth, ninth and tenth floors.

“Hence, PKDA is hereby directed to take suitable action for demolition of the unauthorised construction in accordance with the ODA Act within two months from the date of this order and submit compliance to the Authority,” ORERA ruled.

The respondent was directed to deposit a penalty of Rs 90 lakh with this Authority within a period of two months, failing which the order shall be enforced as per law, it ordered.

The order was passed by P K Biswal, member (Admn) and G C Patnaik, member (Judicial).



# RERA Registration is Mandatory

1. For Bankers to release the loan
2. Lenders to fund the project
3. Buyers to purchase the unit
4. Insurance company's
5. Planning authority to release / Completion certificate







## Haryana RERA asks Bank to monitor withdrawal of funds from RERA bank Account

The authority has also directed banks to strictly monitor withdrawals to avoid legal action and inform developers that they may face a penalty up to 5% of the project cost in case of violations.

**GURUGRAM:** To check misuse of funds collected from homebuyers, Haryana Real Estate Regulatory Authority (H-Rera) has warned banks of legal action on allowing withdrawal of funds by developers from the regulator's accounts in violation of norms.

The authority has also directed banks to strictly monitor withdrawals to avoid legal action and inform developers that they may face a penalty up to 5% of the project cost in case of violations.

In a letter to banks on Feb 12, H-Rera said a few developers are not complying with provisions of the Real Estate (Regulation and Development) Act 2016 for withdrawing funds from the regulator's account and banks are allowing it without ensuring compliance with the rules.



## Haryana RERA asks Bank to monitor withdrawal of funds from RERA bank Account

According to the Act, 70% of the amount collected for any real estate project from homebuyers has to be deposited in a separate bank account to cover the cost of land and construction and is to be used only for that purpose.

The developer can, however, withdraw the amount from this account to cover the cost of the project in proportion to the percentage of completion of the project after certification from the engineer, architect and chartered accountant concerned.

The regulator also warned developers that they may face a penalty in case of violations. \*In case of non-compliance under Section 4 of the Rera Act, a penalty of up to 5% of the project cost can be imposed," the authority told banks.



## Centre asks states to follow Gujarat model for recovery of dues in case builder defies RERA orders

The housing ministry advises state governments to follow the Gujarat model' for effective recovery of dues from non-compliant builders. Gujarat Rera has appointed officers for execution of recovery warrant orders and has issued proceedings for attachment of property. The ministry also suggests designating additional district magistrates as revenue recovery officers.

NEW DELHI: Amid rising instances of builders not complying with orders passed by Real Estate Regulatory Authorities (Rera), the housing ministry has advised state governments to follow the "Gujarat model" which has an effective recovery mechanism and appoints officers under the state laws for retrieving the dues.

Gujarat Rera has appointed two officers vested with all the powers for execution of recovery warrant orders. It has also notified detailed execution proceedings, which provides for arrest and detention. There have also been SUO moto proceedings by the authority issued in some cases for attachment of the property which has ensured promoter paying the penalty with interest.

The ministry has also advised states to designate additional district magistrates or additional collectors as "revenue recovery officers" for enforcement especially in districts where the pendency of such cases is high.





## Centre asks states to follow Gujarat model for recovery of dues in case builder defies RERA orders

Recovery warrant orders are issued against errant developers for not completing a project. These warrants are forwarded by the regulators to collectors for attachment of properties and recover the dues.

The issue of non-compliance of orders passed by regulators came up at a recent meeting chaired by Union housing secretary Manoj Joshi. As per the minutes of the meeting issued on Tuesday, the ministry has written to states along with the recovery model being implemented by the Gujarat Rera. It sought an update on action taken on the advisory as well.

FPCE, an umbrella home buyers group, which had studied the recovery model of different RERAs and suggested the adoption of Gujarat model, Tamil Nadu and Maharashtra, welcomed the Centre's move.





## Centre asks states to follow Gujarat model for recovery of dues in case builder defies RERA orders

"Homebuyers pan India are suffering as regulatory authorities are unable to get their orders enforced. Homebuyers are running pillar to post to get a refund even though they have orders in their favour for refund from authorities. Now since the ministry has written to states, we hope state regulators will adopt the recommendations to give relief to homebuyers." said Abhay Upadhyay, president of FPCE.

As per the minutes of the meeting, Abrar Ahmed, principal adviser to UP RERA cited how they have recovered over Rs 800 crore in 4,000 recovery certificates from builders whose projects were launched from 2012 to 2014. He suggested that a provision may be made in Rera, similar to the provisions existing in the income tax law wherein if the recoveries are not possible from assets of the company or the project, the regulator can pass a special order holding the director accountable for the payment of the dues.



## MahaRERA ties up with ASCI to identify non-complying real estate developers

The collaboration, a first by any real estate regulator in the country, is aimed at protecting homebuyers who may decide to buy or invest in properties that are yet to be or not allowed to be sold for any specific reason.

The Maharashtra Real Estate Regulatory Authority (MahaRERA) has tied up with the Advertising Standards Council of India (ASCI) to identify developers advertising projects without registering the project with the real estate regulatory body.

The collaboration, a first by any real estate regulator in the country, is aimed at protecting homebuyers who may decide to buy or invest in properties that are yet to be or not allowed to be sold for any specific reason.

As per the agreement between the regulator and ASCI, Artificial Intelligence (AI) will be utilised to detect advertisements published without MahaRERA registration number and QR code.

"Developers are not permitted to advertise unless the project is registered with MahaRERA. Whenever we have observed any advertisements without a registration number, we have initiated ex officio penal action against such erring developers. Now, having a QR code on the advertisements is also mandatory, to enable home buyers to access project's detailed information at a single click," said Ajoy Mehta, Chairman, MahaRERA.

## MahaRERA ties up with ASCI to identify non-complying real estate developers

he said Since last year, MahaRERA has been initiating Suo motu action against advertisements published without a registration number and QR code.

The ambit is also being expanded on to the new age media apart from the traditional ones. The regulator is of the view that the area of action should be expanded further and include all advertisement sources and mediums and hence a decision was taken to collaborate with ASCI.





## MahaRERA ties up with ASCI to identify non-complying real estate developers

According to him, the regulator cannot ignore the new age media, where newer avenues of advertising are being created. Thus, MahaRERA is taking help of ASCI and experts in the field to identify and prevent such misleading or incomplete advertisements across any medium.

For this, a core group will be formed to track, monitor, and evaluate such advertisements and eventually bring it to the notice of MahaRERA. This is also the first time any realty regulator in the country is making use of AI to monitor and identify errant promoters of real estate projects.

As per the RERA Act, any projects including plotted developments of over 500 square meters or 8 flats must be registered with the MahaRERA. Without the registration number and a QR code no developer can publicise or market or sell any property in the project.

ASCI is a voluntary self-regulatory organisation in the advertising sector committed to protection of consumer interests across media of newspapers, television channels, social media, websites etc.

"MahaRERA has succeeded in instilling confidence for a housing project to have a MahaRERA registration number, which is a sign of safe investment. MahaRERA is trying its best to ensure that this trust does not get breached... and the latest move will certainly help in curbing misleading and incorrect advertisements,



*Thank  
you*



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