

**SOUTHERN INDIA REGIONAL COUNCIL OF**  
**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
**(SET UP BY AN ACT OF PARLIAMENT)**



# ONE DAY Seminar ON GST and RERA



**Southern India Regional Council of  
The Institute of Chartered Accountants of India**  
(Setup by an Act of Parliament)



## ONE DAY Seminar on GST and RERA

10.00 am to 10.30 am	<b>Programme Inauguration</b>	
10.30 am to 11.15 am	<b>Chief Guest - Mr. Selvakumar</b> , Chennai - RERA Authority	
11.15 am to 11.30 am	<b>Tea Break</b>	
Time	Topic	Speaker
11.30 am to 01.30 pm	<ul style="list-style-type: none"> <li>Recent and Latest rulings on GST on Real Estate</li> <li>Taxation on Plotted development - Landowner liability and Developers Liability</li> </ul>	<b>Adv. G. Natarajan</b>
1.30 pm to 2.15 pm	<b>Lunch</b>	
2.15 pm to 3.45 pm	<ul style="list-style-type: none"> <li>Important provisions under RERA Act</li> <li>Latest updates and TN RERA Rules</li> <li>CA Certification under RERA</li> <li>Annual Audit of Accounts under RERA</li> </ul>	<b>CA.Vinay Thyagaraj &amp; Adv. E Suhail Ahmed</b>
3.45 pm to 4.00 pm	<b>Tea Break</b>	
4.00 pm to 5.00 pm	<ul style="list-style-type: none"> <li>Professional Involvement and Importance under RERA</li> <li>Professional Opportunities</li> <li>Important decided cases</li> </ul>	<b>CA.Vinay Thyagaraj &amp; Adv. E Suhail Ahmed</b>

# RERA PRESENTATION



**Vinay Thyagaraj**  
Partner M/s. Venu & Vinay  
Chartered Accountants, Bengaluru



**E. Suhail Ahmed**  
Partner, M/s. TRIALBASE  
Advocates, Bengaluru



# TOPICS – FOR THE SESSION

Important  
Provisions under  
RERA  
And  
TN RERA Rules

CA Certifications  
under RERA and  
Annual Audit of  
Accounts under  
RERA

Professional  
Perspective and  
Opportunities  
And  
Important  
Caselaws



## STATEMENT OF OBJECTS AND REASONS OF THE ACT

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;



## GOVERNANCE / AUTHORITY

RERA Act comes under the purview of Ministry of Housing & Urban Poverty Alleviation (Central Government) –

1. Act has X Chapters and 92 Sections

1. Act Directs respective State Governments to frame the Rules –

1. Published as Notification No. SRO No A-29(d)/2017 in part III- Section 1(a) at pages 1-55 of the Tamil Nadu Government Gazette Extraordinary (Issue No. 188) dated 22.06.2017
  2. Tamil Nadu Real Estate (Regulation and Development) Rules, 2017
  3. It shall come into force on the 22nd June, 2017
- 
- a) Constitute Real Estate Regulatory Authority
  - b) Appoint Adjudicating officer and
  - c) Set up Appellate Tribunal





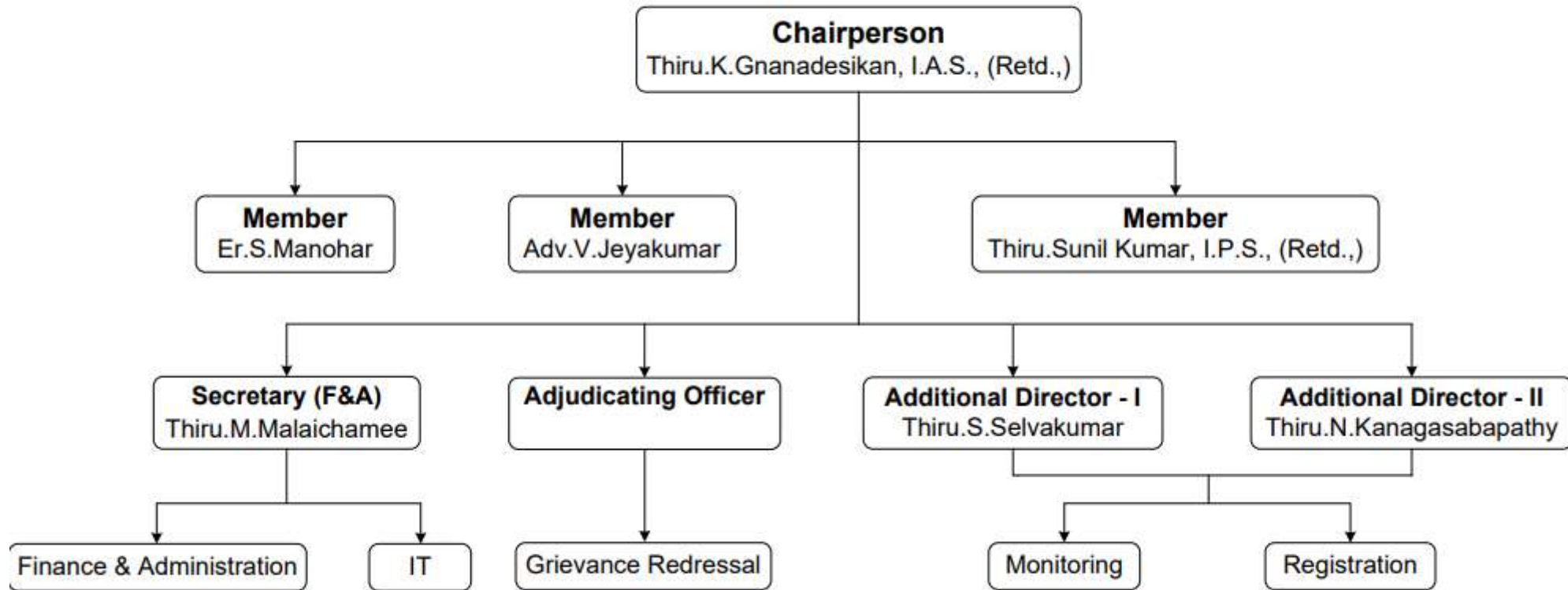
## LATEST UPDATES UNDER RERA - NATIONAL

1. All States/UTs have notified rules under RERA except Nagaland, where the process to notify the rules is underway.
2. 32 States/UTs have set up Real Estate Regulatory Authority (Regular - 27, Interim – 05). Ladakh, Meghalaya and Sikkim have notified the Rules while yet to establish Authority.
3. 28 States/UTs have set up Real Estate Appellate Tribunal (Regular -24, Interim – 04). (Arunachal Pradesh, Jammu & Kashmir, Ladakh, Meghalaya, Mizoram, Sikkim and West Bengal are under process to establish Appellate Tribunals).
4. Regulatory Authorities of 30 States/UTs have operationalized their websites under the provisions of RERA. (Arunachal Pradesh and Manipur are under process to operationalize).
5. 1,10,063 Real Estate Projects and 78,046 Real Estate Agents have been registered under RERA across the country.
6. 1,11,362 Complaints have been disposed-off by the Real Estate Regulatory Authorities across the country.

Source – [www.mouah.gov.in](http://www.mouah.gov.in)



# Organisation Structure – TN RERA





# STATUTE - RULES, REGULATIONS, ORDERS

RERA  
Act 2016



TN- RERA  
Rules 2017



TN- RERA  
Regulations  
2018



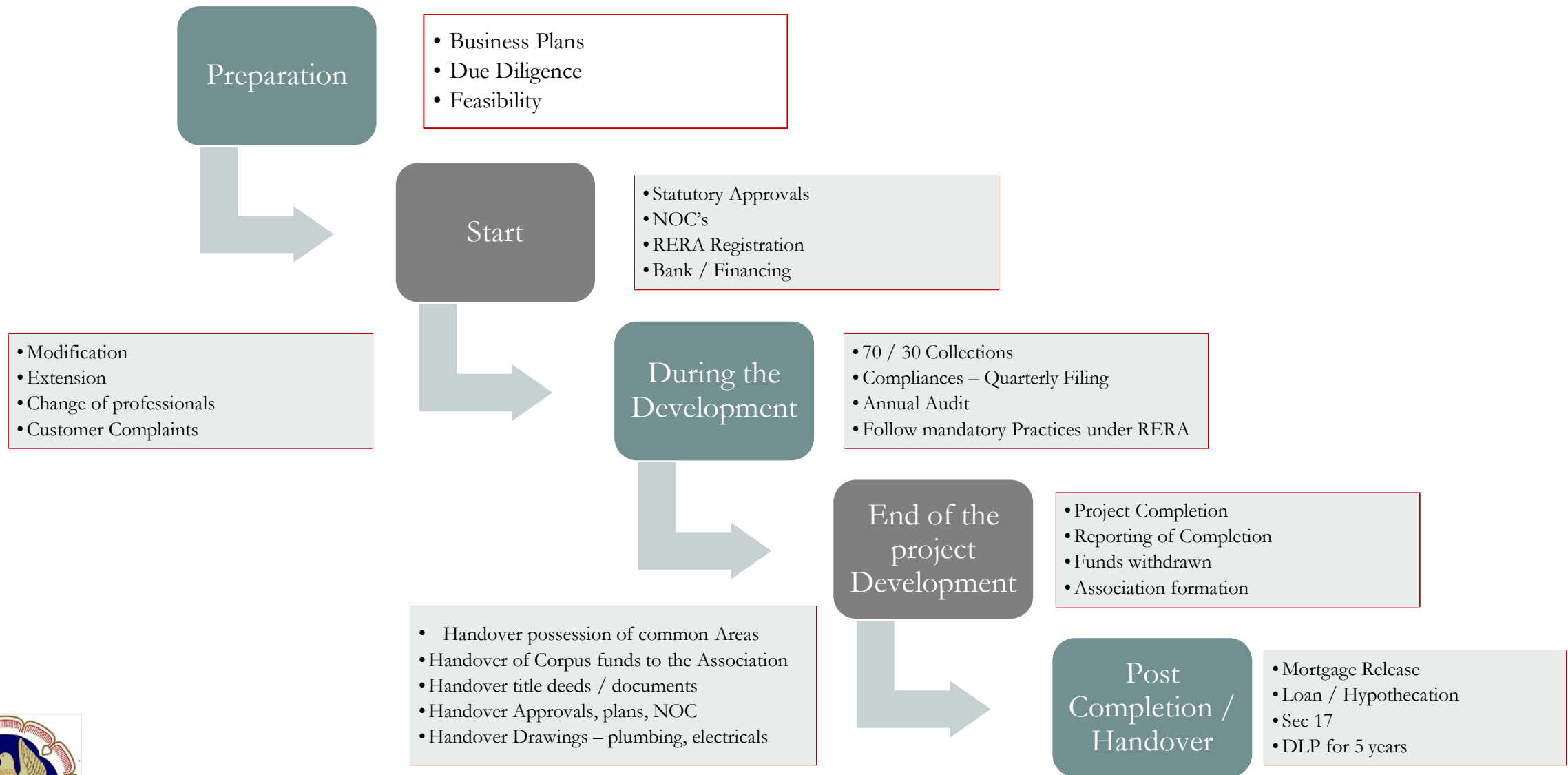
Notifications /  
circulars /  
Orders



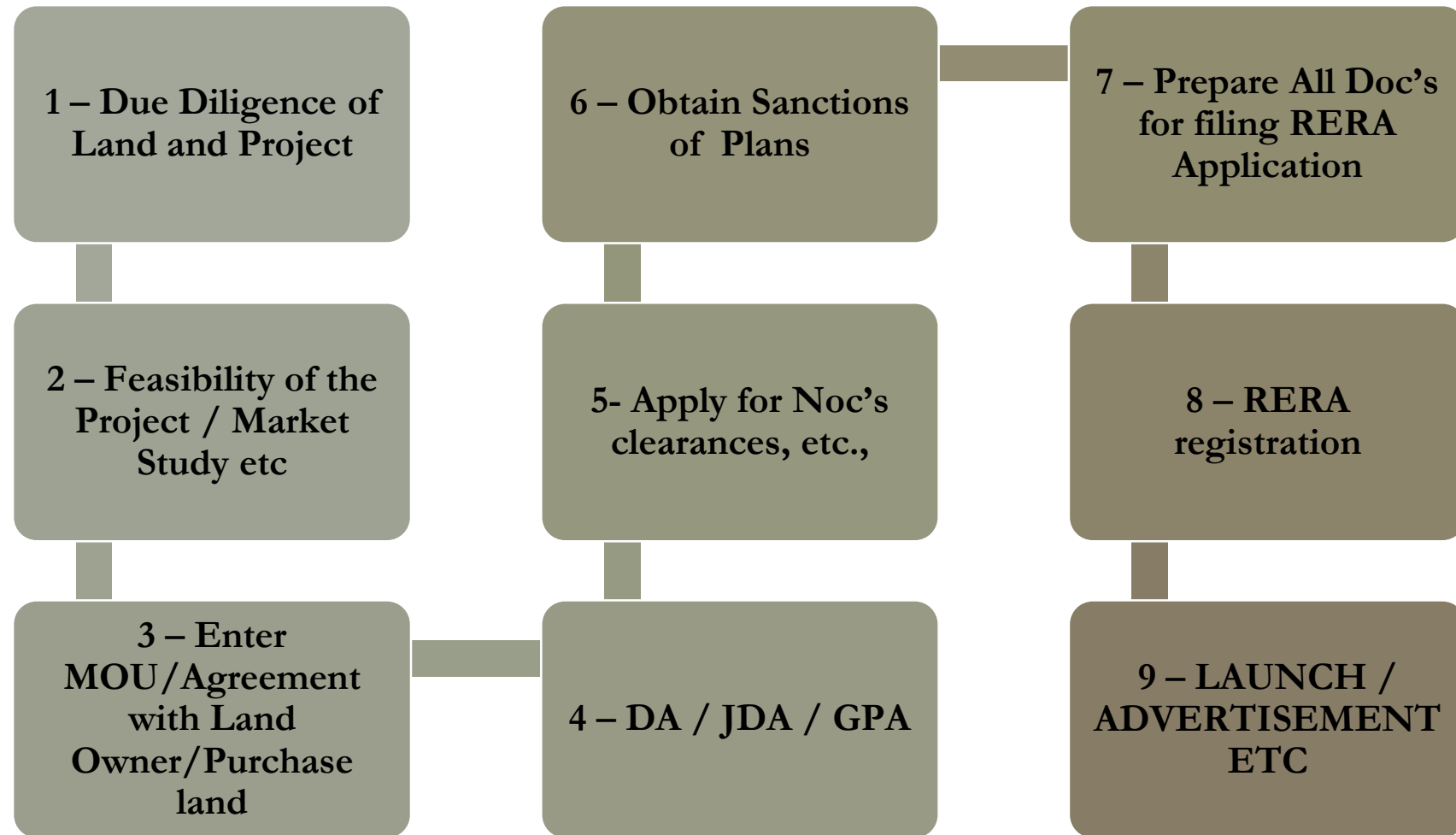
Formats as  
may be  
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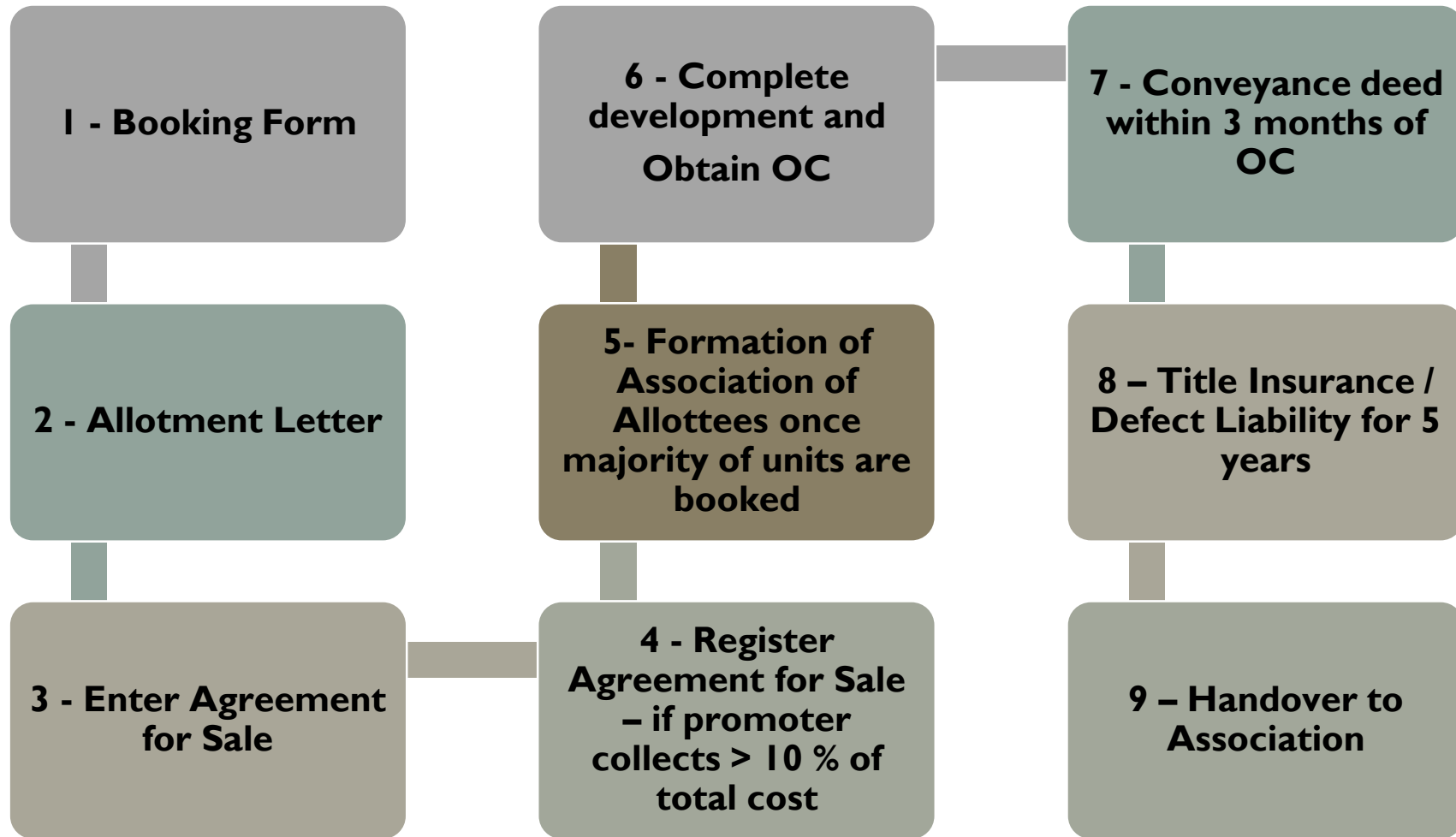
# RERA - PROJECT LIFE CYCLE



# STAGE WHEN PROJECT CAN BE LAUNCHED UNDER RERA



# FLOW OF SALE/PROCESS - POST RERA



## IMPORTANT / CRITICAL COMPLIANCES UNDER RERA

1. Prior registration of Project – Section 3 and TN RERA Rules – 3 and 4
2. Financial management – 70/30 – Section 4 (2) (l) (D)
3. Annual Audit of Accounts of the Project – Section 4 (2) (l) (D)
4. Validity of Registration and Extension – Section 6 and TN RERA Rules – 7
5. Further Extension after Section 6 – Section 7
6. Advertisement – Section 11 /12
7. Quarterly updates under RERA – Section 11 TN RERA Rules – 17
8. Agreement for Sale & Construction Agreement – Section 13 KA RERA Rules – 9
9. Association of the Allottees – Section 11 (4)(e)
10. Conveyance of Common Area of the Project – Section 17
11. Legal & Financial compliances.



# APPLICABILITY OF RERA

where the area of land proposed to be developed **does not exceed five hundred square meters (5382sft)** or the number of apartments proposed to be developed **does not exceed eight** inclusive of all phases.

where the promoter has **received completion certificate** for a real estate project prior to commencement of this Act;

for the purpose of renovation or ***repair or re-development*** which does **not** involve marketing, advertising selling or ***new allotment*** of any apartment, plot or building, as the case may be, under the real estate project.

where the real estate project is to be developed in phases, every such phase shall be considered a stand alone real estate project, and the promoter shall obtain registration under this Act for each phase separately.





# REAL ESTATE PROJECT

## REGISTRATION UNDER RERA



# Real estate project

Sec Ref	Term	Definition
2(zn)	real estate project	means the development of a building or a building consisting of apartments, 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, <b>for the purpose of selling all or some of the said apartments or plots or building, as the case may be</b> , and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto



# RERA REGISTRATION-SECTION 3

1. Prior registration of Project – Section 3 and TN RERA Rules – 3 and 4
2. KYC of the Promoters and organization documents
3. Legal Title Documents including Title Search Report
4. Plan Sanction and NOC related, Mortgage
5. Area Statement – Carpet, Built-up area, Parking Area, Common Area
6. Estimated Cost of the project, RERA Designated Project Bank Account
7. Legal Draft – Allotment Letter, Agreement of Sale, Sale Deed
8. Professionals associated for the project – Architect, CA, Structural Engineer
9. Affidavits, undertaking
10. Manual / Online filing of Application and Registration Fees



## RERA REGISTRATION-NON COMPLIANCE - SECTION 59

1. Prior registration of Project – Section 3 and TN RERA Rules – 3 and 4
2. Violation of Section 3 of the RERA Act 2016, may attract penal action under Section 59, which prescribes levy of penalty upto 10 % of the Estimated cost of the project.



## REGISTRATION FEES - Fee Structure (for Tamil Nadu)

1. Layouts - Rs/5/- per sq. m. of plottable area excluding EWS, Roads and OSR
2. Residential buildings –
  - a) Rs.10/- per sq. m. of FSI area for residential project in which dwelling unit size is less than 60 square meter;
  - b) Rs.20/- per sq. m. of FSI area for other residential projects;
3. Commercial buildings - Rs. 50/- per square meter of FSI area;
4. Any other projects - Rs.25/- per square meter of FSI area ;



# Conditions of the RERA Registration – Form C

1. The promoter shall enter into an agreement for sale with the allottees as provided in ‘Annexure A’;
2. The promoter shall execute and register a conveyance deed in favour of the allottee or the association of the allottees, as the case may be, of the apartment or the common areas as per section 17;
3. The promoter shall deposit seventy percent of the amounts realised by the promoter in a separate account to be maintained in a schedule bank to cover the cost of construction and the land cost to be used only for that purpose as per sub-clause (D) of clause (l) of sub-section (2) of section 4;
4. The registration shall be valid for a period of \_\_\_\_\_ years commencing from \_\_\_\_\_ and ending with \_\_\_\_\_ unless renewed by the Real Estate Regulatory Authority in accordance with section 6 read with rule 7 of the Act;
5. The promoter shall comply with the provisions of the Act and the rules and regulations made thereunder;
6. The promoter shall not contravene the provisions of any other law for the time being in force in the area where the project is being developed.

**If the above mentioned conditions are not fulfilled by the promoter, the regulatory authority may take necessary action against the promoter including revoking the registration granted herein, as per the Act and the rules and regulations made there under.**





# TN RERA Rules - Ongoing Project

Rule Ref	Term	Definition
2(h)	Ongoing Project	means, a project where development is going on and for which completion certificate has not been issued but excludes such projects which fulfill any of the following criteria on the date of coming into force of sub-section (1) of section 3 of the Act



# TN RERA Rules - Ongoing Project

Rule Ref	Term	Definition
2(h)	in layout projects	in layout projects i.e., where land is developed into plots, the roads and open spaces gifted to the local body concerned;
	the projects in Chennai Metropolitan Area	the projects in Chennai Metropolitan Area for which application for completion certificate has been filed with Chennai Metropolitan Development Authority subject to furnishing certificate from the architect/licensed surveyor/ structural engineer associated with the project to the effect that all the buildings in the projects have been structurally completed i.e. all the columns, beams and slabs have been erected supported with photographs. Chennai Metropolitan Development Authority will issue, completion certificate for those projects in compliance with Completion Certificate norms prescribed. In Completion Certificate fi led cases, if the Completion Certificate is rejected by Chennai Metropolitan Development Authority for violation of norms, such projects will be intimated to the Real Estate Regulatory Authority and will be bound for registration with Real Estate Regulatory Authority. <b><u>The details of all projects where Completion Certificate application has been filed with Chennai Metropolitan Development Authority prior to notification of these rules will be disclosed to the public by publishing the list of all such projects on the website of Chennai Metropolitan Development Authority and Real Estate Regulatory Authority immediately after notification of these rules.</u></b>
	projects under execution outside Chennai Metropolitan Area	in the case of projects under execution outside Chennai Metropolitan Area, as no provision and procedure has yet been prescribed for issue of completion certificate, if the construction is structurally completed meaning that all the columns, beams and slabs have been erected and certified by the architect or structural engineer/licensed surveyor associated with the project supported with photographs. Such projects shall be intimated to the concerned Local Planning Authority or Regional Deputy Director of the Town and Country Planning Department within 15 days from the date of notification of these rules with a copy marked to the office of the Director of Town and Country Planning. <b><u>The Director of Town and Country Planning will make public the list of all such projects in his official website, on the 16th day of notification of the rules besides publication of the same in the website of Real Estate Regulatory Authority.</u></b>



## TN – RERA STATISTICS- AS ON 18-8-2023

First RERA Registration issued on 31/07/2017 - TN/1/Building/0001/2017 dated 31/07/2017

Tamilnadu		2017	2018	2019	2020	2021	2022	2023	TOTAL
Building		243	371	253	490	439	536	347	2,679
LAYOUT									
Normal		37	193	239	265	533	4,498	3,048	8,813
Reguralised	Manual						5,303	81	5,384
	Online							1,293	1,293
	<b>TOTAL</b>	<b>280</b>	<b>564</b>	<b>492</b>	<b>755</b>	<b>972</b>	<b>10,337</b>	<b>4,769</b>	<b>18,169</b>

Tamilnadu		2017	2018	2019	2020	2021	2022	2023	TOTAL
Agents	Manual	48	96	688	240				1072
	Online							1572	1572
	<b>TOTAL</b>	<b>48</b>	<b>96</b>	<b>688</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>1572</b>	<b>2644</b>



# ACCOUNTABILITY OF PROFESSIONALS

**BOMBAY HC : 2<sup>nd</sup> APPEAL 13781 of 2018**

**M/s Sea Princess Realty Vs Allottees**

**Project : Gundecha Trillium**

**Possession Date : 31st December, 2016**

**MahaRERA order: 16.01.2018,**

**Decided - Interest for 6 months**

**MahaREAT order : 4th April, 2018**

1. **Conducted joint inspection & Allowed claim for interest for 1 year without relying upon the certificate issued by the Architect which gave another date of completion.**
2. **Action against Architect for issuing wrong certificate of completion**

**Order for payment of interest on Delayed possession for 1 year.**



## RERA RULES CANNOT BE IN DEROGATION OF THE ACT

### **2020 SCC ONINE MAD 20120 4 LW 865 MADRAS HIGH COURT**

**SUBHASHINI THULASIRAM vs SPR & RG CONSTRUCTIONS PVT LTD.,**

**Held:**

It is well settled law that the parent Act will prevail over the rules and there cannot be rules contrary to Act. Assuming Rule 2 (h) (ii) gives some relief to the 1<sup>st</sup> Respondent , it is contrary to Section 3 of the Act. When the Act has come into force on 01-05-2017, the first respondent should have complied with. The principle that the subordinate legislation cannot be in violation of the Act is supported by following decisions of the Apex Court :

1. Ramesh Mehta V Sanwal Chand Singhvi (2004) 5 SCC 409
2. Global Energy Ltd v Central Electricity Regulation Commission (2009) 15 SCC 570



## REGISTRATION OF THE PROJECT EXEMPTED UNDER RULES

### **W.P 18843/2022** **KARNATAKA HIGH COURT**

**Cambrian Technologies Pvt Ltd Vs KA RERA & ors., Order dt: 15-02-2023**

**Held:**

- The Rules exempt registration of the Project on account of filing of application for grant of OC as on the date of notification of Rules as per Rule 4 of KA RERA rules.
- If the project is not required to be registered then the Authority would not get jurisdiction to entertain the compliant





**DEVELOPMENT MANAGER TO BE TREATED AS PROMOTER**

**Gauri Datte Vs. Nirmal Developers and Shapoorji Pallonji  
Development Managers Private Limited**

**And 4 Other complainants**

Maharashtra Real Estate Regulatory Authority

COMPLAINT No. CC00600000192886

1. Nirmal Developers is registered as promoter with RERA
2. Lucrative Properties Limited-LPL (Subsidiary and group company of Shapoorji Pallonji Private Limited ) is appointed by Nirmal Developers as Development Manager under a Development Management Agreement.
3. Given exclusive rights to develop the project to LPL as Development Manager



## DEVELOPMENT MANAGER AS PROMOTER

5. Advertisement made showing both DM and Promoter Logos
6. DM agreement mentions – DM is responsible for sales, marketing, CRM, handover possession, assistance in formation of society on behalf of Developer

**Held & ordered that Lucrative Properties Private Limited be added as a Promoter on the webpage of the project within thirty days of the order.**



## SECTION 2(ZK) - PROMOTER

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

any development authority or any other public body in respect of allottees of an apex State level co-operative housing finance society and a primary co-operative housing society.....

any other person who acts himself as a builder, coloniser, contractor, developer, estate developer....



# RERA APPLIES TO LONG LEASES

2018 SCC OnLine Bom 2074

Lavasa Corporation Limited Vs Jitendra Jagdish Tulsiani & others

***Held :***

***Upheld the decision of the MAHA Real Estate Appellate Tribunal holding that long term lease of '999 years', would definitely amount to sale and is thus covered under RERA.***



## APPLICABILITY OF RERA TO **INDUSTRIAL UNITS**

GMR Krishnagiri SIR Limited ... Apellant

TN RERA ...Respondent

### **TN RERA APELLATE TRIBUNAL**

1. Appellant entered into MOU with TIDCO to develop SEZ
2. The object is to develop a specialised industrial area

The entire act and legislative history clearly mentioned about the sale of plots, apartments, etc. Therefore, the very purpose of the enactment is only for the regulation of sale of plots and apartments and not for any other purpose. Hence, the respondent, Real Estate Regulatory Authority, has rightly pointed out that the act **has not differentiated plots into housing plots, commercial plots or industrial plots**. So there is no infirmity on the findings of the respondent. Hence in such circumstances, this Tribunal comes to the conclusion that this appeal has no merits and not deserved to be allowed.



# **M/s. Newtech Promoters and Developers Pvt. Ltd. Vs State of UP and Others**

(In the Supreme Court of India)

Civil Appeal No(s). 6745 - 6749 of 2021 (Arising out of SLP (Civil) No(s). 3711-  
3715 of 2021)

Bench: Justices Uday U Lalit, Ajay Rastogi &  
Aniruddha Bose





### **Pertinent Issues Raised:**

Whether the Act of 2016 is retrospective or retroactive in its operation and what will be its legal consequences if checked on the anvil of the Constitution of India?

**The legislature consciously enacted a retroactive statute to ensure the interest of consumers in the real estate sector is protected and Sections 13, 18(1) and 19(4) are all beneficial provisions for safeguarding the pecuniary interest of the consumers/allottees.**

Whether the Authority has jurisdiction to direct return/refund of the amount to the Allottee along with interest under Section 12, 14, 18, and 19 of the Act, or does the jurisdiction exclusively lie with the Adjudicating Officer under Section 71 of the Act ?

**A conjoint reading of Sections 18 and 19 clearly manifests that when it comes to refund of the amount, and interest on the refund amount, or directing payment of interest for delayed delivery of possession, or penalty and interest thereon, it is the Regulatory Authority which has the power to examine and determine the outcome of a complaint. At the same time when it comes to a question of seeking relief of adjudging compensation and interest thereon under sections 12, 14, 18 and 19, the Adjudicating officer has the power to determine, keeping in mind the collective reading of the same along with section 71 and 72 of the Act.**



Whether Section 81 of the Act authorize the Authority to delegate its powers to a single member of Authority to hear matters under Section 31 of the Act?

**All other powers exercised by the authority could be delegated to any of its members for expeditious disposal of complaints by a special or general order.**

Whether the condition of pre-deposit under proviso to Section 43(5) of the Act for entertaining an appeal before Real Estate Appellate Tribunal is sustainable in law?

**At the given time, it is open for the legislature in its wisdom to enact a law that no appeal shall lie or it may lie on fulfilment of precondition, if any, against the order passed by the Authority in question.**



Whether the Authority has the power to issue a Recovery Certificate of the amount in question under Section 40(1) of the Act in order to recover the due amount from the promoters/developers as an arrear of land revenue?

**Amount which has been determined and refundable the allottees/home buyers either by the authority or the adjudicating officer in terms of the order is recoverable within the ambit of Section 40(1) of the Act.**



## **TN APPELLATE TRIBUNAL**

Alliance Mall Developers CO Pvt Ltd Vs TN RERA

Appeal Nos. 62 & 63 of 2019

# **Time to be prescribed for completion of a real estate Project**

The time for completion of the project was ordered to be restricted by TN RERA upto 21-02-2022 while granting registration based on the validity of the building permit even though the Promoter had prescribed the time for completion of the three towers as 21-02-2025, 30-09-2022 and 31-03-2023, taking into consideration that the he can get necessary planning permit extensions till 2025.

Held that The registration can be granted only till the planning permit is valid and further that necessary safeguards have been built in the Act for the promoter to seek further extension by filing necessary applications.



## TN APPELLATE TRIBUNAL –PHASED DEVELOPMENT

M/s Adinath Srnivasa Foundations LLP v. Thr Secretary, Serene Kshetra Owners Association

[Appeal No.5/2018] [Date: 11.01.2019]

FACTS: Complainants petitioned TNRERA that the project has been wrongly listed as structurally completed and has been excluded from definition of ongoing project. They filed a complaint seeking rejection of the exemption and for the project to be registered under RERA.

The appellant received 2 separate approvals (residential layout project and group housing residential layout) for Serene Kshetra since the land was under 2 different villages. However they were contiguous and in the agreement the appellant has mentioned that the project is an integrated residential project for senior citizens and all the amenities will be shared. The appellant contended that the both the development phases are different and hence need to be registered separately under RERA.

### ISSUES:

- 1- If the authority has the power to examine a project which has been listed as structurally complete under rule 2(h)(iii) and the power of TNRERA to question the legality of the such exemption?
- 2- Does the promotor have an unfettered right to determine what the phases of the project would be?
- 3- Does the promotor have the right to avail the exemption under Rule 2(h)(iii)?

ISSUE 1: Inclusion under Rule 2(h)(iii) cannot take over the powers of the authority granted under Sec 34 and 35 of the Act

ISSUE 2: The authority has held that the promotor cannot split the project in 2 phases when such intention was not shown in the beginning.

ISSUE 3: Negative. No exemption and the project has to be registered

The appeal was dismissed on the basis that the appellant cannot split the project into 2 phases when it was never intended and if it had to be done in 2 phases, it must be stated in the approval. Even if the intention was to develop it into phase in the latter stage, it can be done so only after the approval of 2/3rd of the allottees. It was held that the appellant cannot split the registration according to what construction has been completed or not.

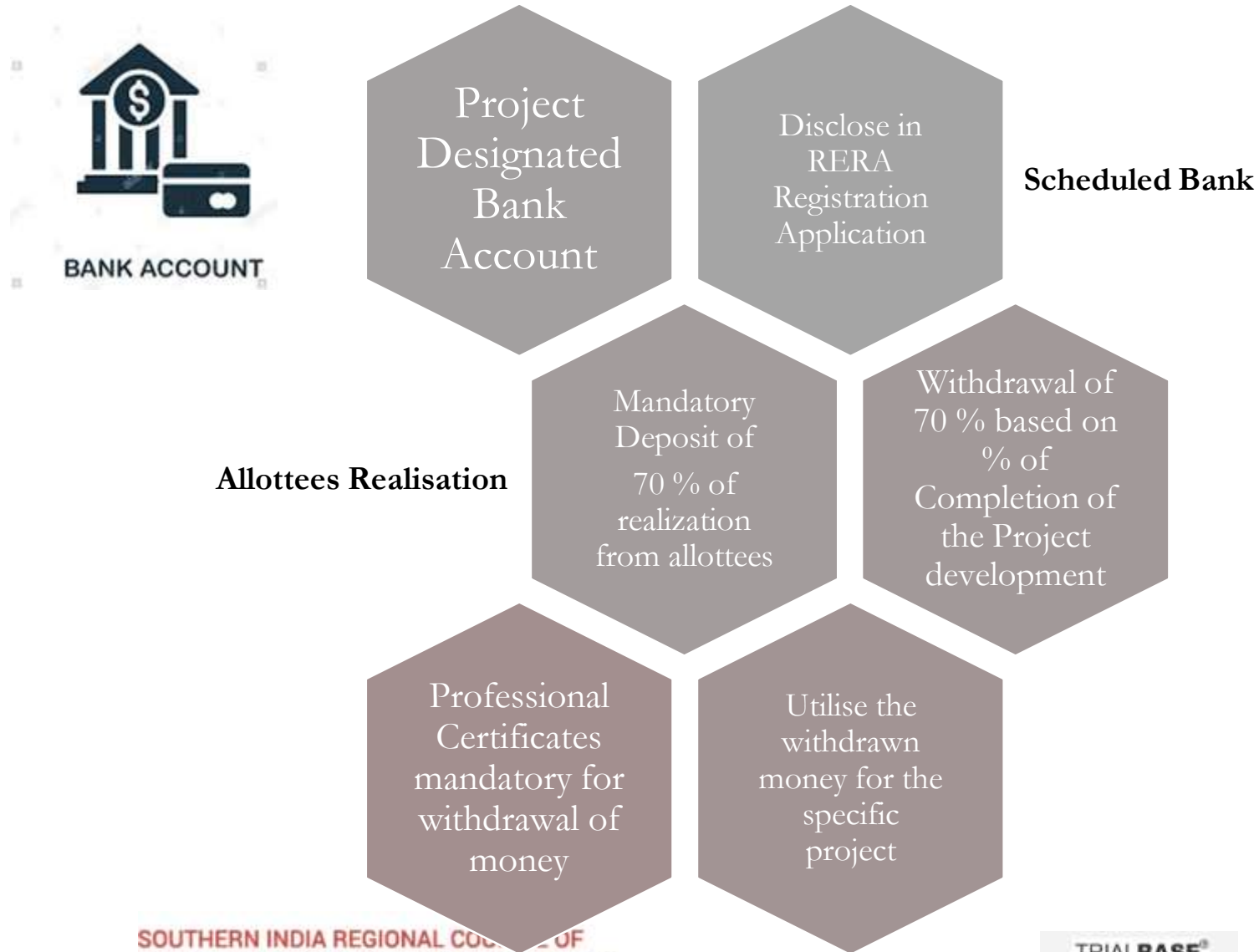
The appeal was dismissed



# FINANCIAL MANAGEMENT UNDER RERA



# RERA - Financial management – Sec 4





## Withdrawal of money from the Designated Bank Account

### Rule 5 –

- (1) For the purposes of sub-clause (D) of clause (h) of sub-section (2) of section 4 of the Act, the **land cost shall be** the market value of the land including the costs incurred by the promoter towards the stamp duty and the registration fees for acquiring ownership over the land either for freehold or leasehold
  
- (1) For the purposes of sub-clause (D) of clause (l) of sub-section (2) of section 4 of the Act, the **construction cost shall** be the cost incurred by the promoter, towards the on-site expenditure for the physical development of the project including the cost incurred by way of fees/charges paid towards obtaining necessary statutory clearances including cost of Transfer of Development Rights, premium Floor Space Index charges, Finance Cost for the construction of the project and professional consulting charges.



## Withdrawal of money from the Designated Bank Account

### Rule 5 – Explanation

For the purpose of sub-clause (D) of clause (l) of subsection (2) of section 4 of the Act, the **engineer shall certify** that the items shown in the cost of construction is matching to the physical condition at the site of the real estate project;

**the architect shall certify** that the physical condition at the site is built as per the sanctioned plan; and chartered accountant shall certify the cost incurred on construction cost and land cost;

**the chartered accountant shall also certify** the proportion of the cost incurred on construction and land cost to the total estimated cost of the project.

After completion of the project, the promoter shall be entitled to withdraw the balance amount lying in the separate account subject to obtaining the certificate from the engineer, architect and chartered accountant as mentioned above.



# FORMATS OF PROFESSIONAL CERTIFICATES – Regulations

- a) The certificates to be issued by the project architect, project engineer and chartered accountant in practice for withdrawal of money from the separate account maintained under Section 4(2) (I) (D) of the Act shall be in
  - a) Form 1 - Architect
  - b) Form 2 – Engineer
  - c) Form 3 - CA
- b) The promoter shall furnish a Certificate from the Bank on their letter head as per the prescribed format Form 6 under Section 4(2)(I)(D).
- c) The annual report on statement of accounts in Form 7 (CA), issued in accordance with the 3<sup>rd</sup> Proviso( D) to Section 4 (2)(I) of the Act (i.e.,) shall be certified and signed by the Statutory Auditor of the promoter's enterprise.
- d) The promoter shall designate an architect, an engineer, a chartered accountant who issues certificates for the project to enable withdrawal of amounts from the separate account opened in compliance of the provisions under Section 4 (2) (I) (D) of the Act for the work completed and such designated architect, engineer and chartered accountant shall not be changed without prior concurrence of the Authority



# FORMATS OF PROFESSIONAL CERTIFICATES - Regulations

- a) Explanation 1: The Chartered Accountant certifying the progress of the registered real estate project for the purpose of withdrawal of amounts from the separate account should be a “different entity” than the Chartered Accountant who is the statutory auditor of the promoter’s enterprise.
- b) Explanation 2: If the Form 7 issued by the statutory auditor reveals that any certificate issued by the project architect, engineer or the chartered accountant has false or incorrect information, the amount collected for a particular project have not been utilized for the project and the withdrawal has not been complied with development of the project, the Authority shall, apart from taking action against the promoter under the Act and Rules, also bring the matter to the concerned respective regulatory body of the said architect, engineer or chartered accountant, for necessary penal action against them.



## PROFESSIONALS UNDER RERA

1. Engineers
2. Architect
3. Chartered Accountants
4. Lawyer / Advocates
5. Surveyors

**Section 56** enables Chartered Accountants or Company Secretaries or Cost Accountants also to appear before AO, Authority and Appellate Tribunal to represent a Applicant or a Appellant.



# QUARTERLY UPDATES



SOUTHERN INDIA REGIONAL COUNCIL OF  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

TRIALBASE®  
ADVOCATES

venu & vinay  
CHARTERED ACCOUNTANTS

# 1. SECTION 11

## 2. TN RERA RULE 17 (D)

**MANDATORY COMPLIANCE UNDER RERA TO MONITOR THE  
PROGRESS OF THE DEVELOPMENT OF THE PROJECT AND  
OTHER DETAILS**





# CONTENTS OF QUARTERLY UPDATES

1. List of number and types of apartments or plots, as the case may be, booked;
2. List of number of parking lots booked;
3. Status of the project:
  - (A) Status of construction of each building with photographs;
  - (B) Status of construction of each floor with photographs;
  - (C) Status of construction of internal infrastructure and common areas with photographs.
4. Status of approvals:
  - (A) Approval received;
  - (B) Approvals applied and expected date of receipt;
  - (C) Approvals to be applied and date planned for application;
  - (D) Modifications, amendment or revisions, if any, issued by the competent authority with regard to any licence, permit or approval for the project.



# COMPLIANCE OF MANDATE OF QUARTERLY UPDATES

1. Non-Compliance of quarterly filing within the due date
2. Details shall be accurate and complete
3. Professional certificates – reliance is based

**Penalty can be levied, which may be upto 5 % of estimated cost of the project – Section 60 of the RERA Act 2016**



# Advertisements and guidelines



## Advertisement Guidelines

Regulations 8	The promoter shall prominently display at the project site the sanctioned plans, layout plans, along with specifications, approved by the Competent Authority and RERA registration details.
	In all advertisement and publicity related to the projects in any print, electronic on social media (including press, electronic media, pamphlets, banners, posters or publicity in any form), shall bear the registration details of the project with the RERA, and if the project does not fall within the ambit of RERA as per Section 3 (2) that should also be indicated.
RERA Act	Section 12 – Veracity of advertisement
	Section 11 – All advertisement shall have RERA Registration Number – prominently displayed



# Advertisement Guidelines

Sub: TNRERA – Release of Advertisements in the  
Media – Directions issued – Reg.

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The following directions are issued with reference to release of advertisement  
in any media:

- (a) The Promoters should not release any advertisement for sale of Real Estate projects requiring registration with TNRERA in any media without mentioning the registration with TNRERA;
- (b) While releasing advertisement in any media including electronic and social media, the Registration No. obtained from this Authority should be prominently mentioned along with the Website address of the Authority in all the pages;
- (c) Wherever completion certificate is obtained from CMDA prior to the notification of the Rules, Completion Certificate No. and date should be clearly mentioned; and
- (d) If the project is covered under structurally completed project and uploaded in DTCP Website, it should be mentioned as “Structurally completed project”



## EXTENSION / RENEWAL OF RERA REGISTRATION

**How To  
Extend  
Validity**

**OF RERA REGISTRATION**



## EXTENSION / RENEWAL OF REGISTRATION – SEC 6 /RULE 7

1. Section 6 of the RERA Act
2. TN RERA Rule 7
3. Application in Form E
4. Application to be filed 3 months before expiry of registration
5. Extension fees – 10% of the Registration fees (for 1 year)

### **Rule 7(5)**

Any sale of an unit in any development project after the lapse of registration period with the Authority and after obtaining the completion certificate from the Competent Authority within the prescribed period as per local laws shall not be treated as offence as prescribed in sub section (2) of section 59 of the Act.





# MODIFICATION OR AMENDMENTS TO RERA REGISTRATION



SOUTHERN INDIA REGIONAL COUNCIL OF  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

TRIALBASE®  
ADVOCATES

venu & vinay  
CHARTERED ACCOUNTANTS

# MODIFICATION OR AMENDMENTS TO RERA REGISTRATION

## CIRCULAR

No.TNRERA/001/2018

Dated: 24.05.2018

Sub: TNRERA – Registration of Project and Real Estate  
Agent – Changes, if any, after registration certificate  
issued – Fees prescribed regarding.

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In case, the Promoter/Agent requires any change after registration certificate has been issued, the Promoter/Agent has to make an application for the changes along with a fee of Rs.2,000/- by way of Demand Draft or online payment.

*[Handwritten Signature]*  
24/5/18

for Principal Secretary to Government,  
H&UD Department & Chairperson, TNRERA.



# COMPLETION UNDER RERA



SOUTHERN INDIA REGIONAL COUNCIL OF  
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ADVOCATES

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CHARTERED ACCOUNTANTS

## COMPLETION UNDER RERA

1. On completion of development of the project-
  1. Internal development
  2. External development
2. On Project Completion - Submit
  1. Occupancy Completion certificate
  2. Consolidated Bank Statement
  3. Mortgage release
  4. Structural Liability Certificate **(for Building)**
  5. Sold and Unsold Inventory
  6. Association of Allottees (for Building)
  7. Project Photograph
  8. Common Areas / Amenities handed over to the Association – Affidavit
  9. Professional Certificates –
    1. Form 4 CC – CA
    2. Engineer
    3. Architect



## COMPLETION UNDER RERA

### TN RERA Rules – Explanation to Rule 5

After completion of the project, the promoter shall be entitled to withdraw the balance amount lying in the separate account subject to obtaining the certificate from the engineer, architect and chartered accountant as mentioned above.



# AGREEMENT OF SALE - AOS



# AGREEMENT FOR SALE - AOS

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

Section 13 (1) A promoter shall not accept a sum more than ten per cent 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.





## AGREEMENT FOR SALE - AOS

Section 13 (2) The agreement for sale referred to in sub-section (1) shall be in such form as may be prescribed and shall specify the particulars of development of the project including the construction of building and apartments, along with specifications and internal development works and external development works, the dates and the manner by which payments towards the cost of the apartment, plot or building, as the case may be, are to be made by the allottees and the date on which the possession of the apartment, plot or building is to be handed over, the rates of interest payable by the promoter to the allottee and the allottee to the promoter in case of default, and such other particulars, as may be prescribed.



## TN RERA Rule 9- AGREEMENT FOR SALE and Construction Agreement -

TN RERA Rule 9(1) For the purpose of sub-section (2) of section 13 of the Act, the agreement for sale of undivided share of land or plot of land and construction agreement for construction of apartment, as the case may be, shall be in the Form in Annexure 'A' –

Project relating to construction of apartment, the promoter may convey the undivided share of land including the proportionate share in the common area directly to the respective allottees.

Under the agreement for sale or construction agreement, the promoter is permitted to allocate exclusive right of usage of Reserved Car Park to the allottee and such right of exclusive usage shall form an indivisible part of the apartment and shall be transferable along with the apartment



**SC :CIVIL APPEAL NO(S). 3533-3534 OF 2017  
INT & REFUND ON DELAYED POSSESSION BEYOND 3 YEARS**

- M/s. FORTUNE INFRASTRUCTURE (NOW KNOWN AS M/S. HICON INFRASTRUCTURE) V/s TREVOR D'LIMA & ORS.

Held

- Upheld the decision of NCDRC that in the absence of date of Possession in the Agreement is not mentioned, 3 years will be reasonable time from the date of booking.
- Authorities/ Appellate Tribunals have relied upon this and passed number of decisions.



## RERA TO SUPERSEDE ONE SIDED AGREEMENT

# MAHAREAT APPEAL NO. AT -10679

## Mr. Sandeep Shivram Jadhav Vs Rahul Excellence

Date: 15<sup>th</sup> March, 2019

The order of MahaRERA for allowing the deduction of 20% of the agreement value by the Promoter as per the registered agreement, challenged.

### Held

1. Adjudicating officer committed error in deducting 20% as per deduction clause in an agreement while allowing exit.
2. Section 18(1)(a) of RERA Act 2016 will prevail over said deduction clause of agreement which took place prior to application of provisions of RERA.
3. Any term or condition in an agreement which are against the spirit of provisions of RERA cannot be implemented as parties are governed by obligations and duties as per RERA.



# Association of Allottees and Formation of Association



## TN RERA Rules - Formation of association – Rule 10

Section 11 of the RERA Act mandates the promoter to enable the formation of the Association in accordance with the local laws.

### **TN RERA Rule 10**

The association of allottees shall be formed, registered and governed by the provisions contained in the Tamil Nadu Apartment Ownership Act, 1994 (Tamil Nadu Act 7 of 1995), and the applicable rules for the time being in force. The Association shall take over the maintenance of the project including the common areas and amenities provided in the project within 3 months from the date of intimation by the promoter upon completion of the project



# COMPLAINTS



SOUTHERN INDIA REGIONAL COUNCIL OF  
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## COMPLAINTS UNDER RERA

**Section 31. (1)** Any aggrieved person may file a complaint with the Authority or the adjudicating officer, as the case may be, for any violation or contravention of the provisions of this Act or the rules and regulations made thereunder against any promoter allottee or real estate agent, as the case may be

Explanation.—For the purpose of this sub-section “person” shall include the association of allottees or any voluntary consumer association registered under any law for the time being in force.(2) The form, manner and fees for filing complaint under sub-section (1) shall be such as may be prescribed].



## COMPLAINTS UNDER RERA – Regulations 10 - TN RERA

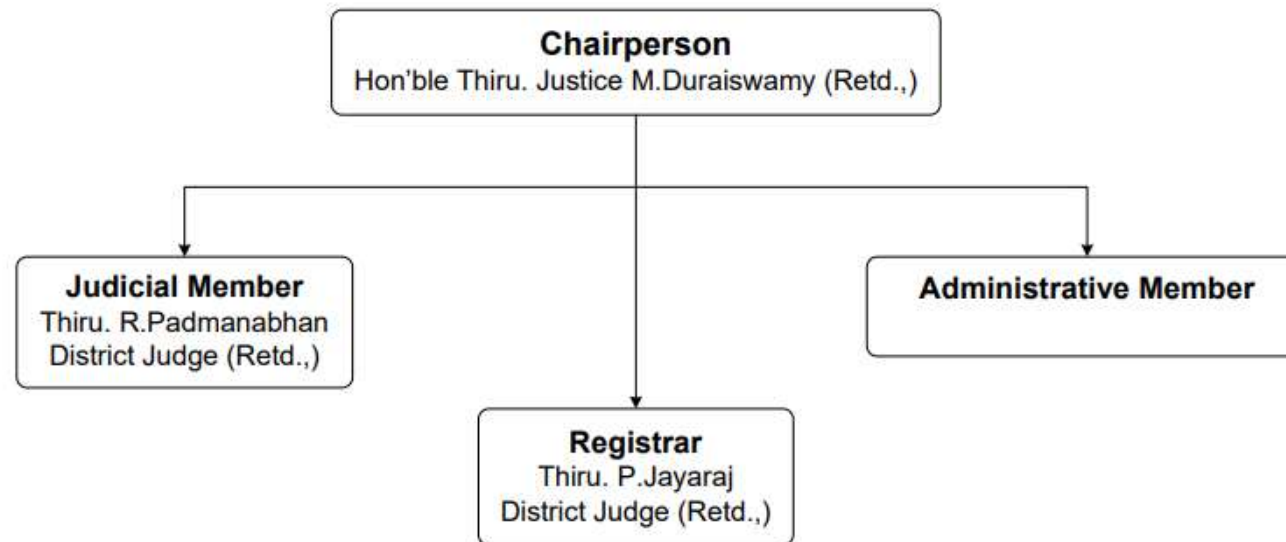
Any aggrieved person may file a complaint with the Authority, under Section 31 of the Act read with Rule 37 save for any violation under the Act or the Rules and Regulations made thereunder as those provided to be adjudicated by the Adjudicating Officer, in Form M of Rule 37 (1) which shall be accompanied by a fee of Rs.1,000/- remitted online.



# Real Estate Appellate Tribunal

## Tamil Nadu Real Estate Appellate Tribunal (TNREAT)

### Organisation Structure



## TN – RERA STATISTICS- AS ON 18-8-2023

Complaints Disposed	Form	2017	2018	2019	2020	2021	2022	2023	TOTAL
Before Authority	Authority	0	28	71	73	117	89	78	456
	single Bench						132	159	291
									0
Before AO	N		94	267	137	322	170	62	1052
									0
Judgements - TNREAT									234

Andaman									
Building			1			2			3
Aents					1	6	3		10



# RATE OF INTEREST PAYABLE BY PROMOTER AND ALLOTTEE AND TIMELINES FOR REFUND.

## TN RERA Rule 18 -

The rate of interest payable by the promoter to the allottee or by the allottee to the promoter, as the case may be, shall be the State Bank of India highest **Marginal Cost of Lending Rate plus two per cent**: Provided that in case the State Bank of India Marginal Cost of Lending Rate is not in use it would be replaced by such benchmark lending rates which the State Bank of India may fix from time to time for lending to the general public.

## TN RERA Rule 19 –

If the allottee defaults in making timely payment as per terms of the agreement, the allottee shall not have the right of claiming any interest or compensation from the promoter.



## Timelines for refund – TN RERA Rule 19

- (1) Any refund of monies along with the applicable interest and compensation, if any, payable by the promoter in terms of the Act or the rules and regulations made thereunder, shall be payable by the promoter to the allottee **within Ninety days from the date on which such refund along with applicable interest and compensation, if any, becomes due.**
- (2) In case of termination of the agreement as per the terms recorded therein, such refund and/or penalty and/or compensation shall be made by the party-in-breach to the other party simultaneous to the execution of appropriate cancellation agreement and registration, if required. If the defaulting party fails to come forward for execution of registration agreement, the **Authority shall have the right to execute such agreement on behalf of the defaulting party.**



## COMPLAINTS BEFORE AUTHORITY

### Section 35- Powers of Authority to call for information, conduct investigations –

(1) Where the Authority considers it expedient to do so, **on a complaint** or suo motu, relating to this Act or the rules of regulations made thereunder, it may, by order in writing and recording reasons therefor call upon any promoter or allottee or real estate agent, as the case may be, at any time to furnish in writing such information or explanation relating to its affairs as the Authority may require and appoint one or more persons to make an inquiry in relation to the affairs of any promoter or allottee or the real estate agent, as the case may be





## OFFENCES AND PENALTIES – UNDER RERA ACT

RERA Provision	Promoter	Agent	Allottee
Non-registration of project/agent with RERA and continue to do so	Up to 10% of project cost and imprisonment of 3 years for continuous default	Penalty of INR10,000 per day during default tenure up to 5% of property cost	
False information while making an application to RERA	Up to 5% of the estimated project cost		
Non-compliance with any provisions of the Act	Up to 5% of the estimated project cost	Up to 5% of the property cost	
Non-compliance with the aforesaid order of RERA	Up to 5% of the estimated project cost	Up to 5% of cost property cost	Up to 5% of cost property cost
Non-compliance with the aforesaid order of the Appellate Tribunal	Up to 10% of cost and imprisonment of up to 3 years or both	Up to 10% of cost and imprisonment of up to 1 years or both	Up to 10% of cost and imprisonment of up to 3 years or both



# OFFENCES AND PENALTIES – Terms and conditions and the fine payable for compounding of offence – TN RERA Rule 36

RERA Act 2016 Penalty	Money to be paid for compounding the offence.
Imprisonment under sub section (2) of section 59	Up to 10% of the estimated cost of the real estate project
Imprisonment under section 64	Up to 10% of the estimated cost of the real estate project
Imprisonment under section 66	upto 10% of the estimated cost of the plot, apartment or building, as the case may be, of the real estate project, for which the sale or purchase has been facilitated.
Imprisonment under section 68	upto 10% of the estimated cost of the plot, apartment or building, as the case may be:



# UNIFORM AGREEMENT FOR SALE

**Supreme Court has directed Union Govt to prescribe Uniform Agreement and uniform RERA Rules across India as per RERA.**

Hearing a PIL by Ashwini Upadhyay Hon'ble SC has directed that based upon the responses from state Govts, the Central Government along with the amicus curiae would prepare a model agreement for sale containing –

1. **Part A: 'Core' clauses** in consonance with the mandatory provisions of the Real Estate (Regulation and Development) Act 2016, for the protection of the home buyers. These clauses cannot be altered by any State/UT and must necessarily be a part of every agreement for sale."
2. **Part B: Additional clauses** based on individual needs and exigencies of each State/UT as permissible within the scheme of the 2016 Act. However, these clauses must not be contrary to or dilute in any manner the clauses in Part 'A'," it said.

**Held:** The bench noted that after considering the response from 11 states on the model agreement for sale, union govt would submit the same for consideration and for its approval. "The states/UTs shall then incorporate the same in the agreement for sale.



**Pioneer Urban Land and Infrastructure Ltd Vs Union of India & Others**

**SUPREME COURT :WP 43 OF 2019**

**Order Dated: 9<sup>th</sup> August, 2019**

**Challenged Home Buyers as Financial Creditors under IBC, 2016  
while RERA in place.**

**Held :**

**The Amendment to the Code to include Home Buyers as financial creditor U/s 5(8)(f) does not infringe Articles 14, 19(1)(g) read with Article 19(6), or 300-A of the Constitution of India.**



# **Pioneer Urban Land and Infrastructure Ltd Vs Union of India & Others**

**SUPREME COURT :WP 43 OF 2019** - Order Dated: 9<sup>th</sup> August, 2019

Challenged Home Buyers as Financial Creditors under IBC, 2016 while RERA in place.

## **Held**

1. RERA is to be read harmoniously with the Code
2. In the event of conflict the Code will prevail over the RERA.
3. Concurrent remedies to Allottees:
  - a. Consumer Protection Act, 1986,
  - b. RERA
  - c. Triggering of the Code.
4. Directed the Chief Secretaries of all the states/ UT to appoint Permanent Authority/Tribunal in 3 months as per RERA.



SC: WP 116 of 2019 in Forum for peoples Collective Efforts & Anr v. The State of West Bengal & Anr – Set Aside West Bengal Housing Industry Regulation Act, 2017 considering it to be unconstitutional.

The overlap between provisions of WB-HIRA and RERA was significant, leaving no doubt that State enactment was repugnant to Central enactment under Article 254 of Constitution. SC grounded its conclusion on following factors:

1. The provisions of a statute are directly in conflict with a law enacted by Parliament so that compliance with one is impossible along with obedience to the other
2. Parliament has intended to occupy the entire field by enacting an exhaustive and complete code
3. The provisions of WB-HIRA do not compliment RERA. Instead, WB-HIRA purports to occupy the same field as the Union legislation.



# Union Bank of India vs Rajasthan Real Estate Regulatory and Others

In the High Court of Rajasthan - Civil Writ Petition No. 13688/2021

*Held that:*

RERA would not apply in relation to the transaction between the borrower and the banks and financial institutions in cases where security interest has been created by mortgaging the property prior to the introduction of the Act unless it is found that the creation of such mortgage or such transaction is fraudulent or collusive and the Real Estate Regulatory Authority has the jurisdiction to entertain a complaint against the bank as a secured creditor if the bank takes recourse to any of the provisions contained in Section 13(4) of the SARFAESI Act.





# REPORTS AND ASSESSMENTS

## MIS Reports

+ R1 - General Report

+ R2 - Special reports

+ R3 - Type of housing

+ R4 - Tentative Reports

+ R5 - Local Body Reports

+ R6 - Daily alerts / reports

+ R7 - Project Progress Report

+ R8 - Agent Progress Report

+ R9 - Category wise Reports

+ R10 - Fee -Reconciliation report

+ R11 - Group Housing by Govt

+ R12 - Region Wise Reports

+ R13 - Financial Reports

+ R14 - Registers

+ R15 - Rating by User - Reports

+ R16 - Application Initiated - Reports

+ R17 - Login wise Pending Reports

+ R18 - Third Party Scrutinized Applications Reports

+ R19 - DPMS Reports

+ R20 - Micro Reports

+ R21 - Application Wise Time Taken Report

+ R22 - Validity Reports

+ R23 - Quarterly Updates Reports

+ R24 - Project Closure Report



— R1 - General Report	— R2 - Special reports	— R3 - Type of housing	— R4 - Tentative Reports	— R5 - Local Body Reports
R1.1 - Status of Application for Projects	R2.1 - Assembly constituency wise	R3.1 - Apartments	R4.1 - Approved Projects	R5.1 - APCRDA
R1.2 - Status of Application for Agents	R2.2 - Parliament constituency wise	R3.2 - Group housing	R4.2 - Approved Agents	R5.2 - UDA(8) wise
R1.3 - Status of Complaints	R2.3 - CM Dash Board Reports	R3.3 - GDS		R5.3 - ULB(110) wise
		R3.4 - Commercial		R5.4 - DTCP
		R3.5 - Mixed		
		R3.6 - Layouts-for Plot Development		
		R3.7 - Layouts-for Plots & Houses		

— R6 - Daily alerts / reports	— R7 - Project Progress Report	— R8 - Agent Progress Report	— R9 - Category wise Reports
R6.1 - Fund availability in both Accounts	R7.1 - Gant Charts Actual vs Plan	R8.1 - Area sold in last year	R9.1 - Upto 1000 sq.m
— R6.2 - Abstract of Application status	R7.2 - Real Time Image Capture	R8.2 - No of Recipients	R9.2 - Above 1000 sq.m and upto 4000 sq.m
R6.2.1 - Project	R7.3 - Countdown Timer		R9.3 - Above 4000 sq.m
R6.2.2 - Agent			
R6.2.3 - Complaint			
R6.3 - Complaint pending status			
R6.4 - Pending Applications against officer			



— R10 - Fee -Reconciliation report	— R11 - Group Housing by Govt	— R13 - Financial Reports	— R14 - Registers
R10.1 - Project wise	R11.1 - Project wise	R13.1 Fee Received	R14.1 Register of application for Registration of Projects(Form Q)
R10.2 - Agent wise		R 13.2 Income and Expenditure	R14.2 Register of Allottees person wise reports (Form R)
R10.3 - Fee for Complaint 1. Authority 2.Adjudating		R13.3 Assets & Liabilities	R14.3 Register of Allottees purpose wise reports( Form S)
		R13.4 Profit & Loss	
		R13.5 District wise Fee Received - Agent	
		R13.6 District wise Fee Received - Project	

— R15 - Rating by User - Reports	— R16 - Application Initiated - Reports	— R17 - Login wise Pending Reports	— R18 - Third Party Scrutinized Applications Reports
R15.1 Rate of Website Graph	R16.1 Application Initiated Report	R17.1 Pending Projects	R18.1 Projects
R15.2 Feedback Report		R17.2 Pending Agents	R18.2 Agents

— R19 - DPMS Reports	— R20 - Micro Reports	— R21 - Application Wise Time Taken Report	— R22 - Validity Reports
R19.1 Eligible Projects under RERA as per DPMS	R20.1 Dwelling Units	R21.1 - Project	R22.1 - Project
	R20.2 Sold Information	R21.2 - Agent	R22.2 - Agent
	R20.3 Total Built-up area		

— R23 - Quarterly Updates Reports	— R24 - Project Closure Report
R23.1 - Project	R24.1 -Status of Application for Project Closure

# RERA – BIG PICTURE

## Regulation

- Sec 3 to Sec 8 – Registration, Rejection, Extension, Revocation

Advertisement, Modification, Transfer, Agents, Agreement for Sale, Transfer of Titles

- 70 / 30 Collections
- Compliances – Quarterly Filing
- Annual Audit
- Follow mandatory Practices under RERA

## Promotion

- Sec 32 of the Act

Recommendations to the Government to improve the RE –

- Single window clearance
- Encourage investments
- Grading of the projects -

- Digitization of land records for conclusive property titles with title guarantee

## Efficient

- Timely delivery of the project
- Equal Rate of Interest

Professional involvement –  
Architect  
Engineer  
Chartered Accountant

## Transparent

- Information available online
- Functions and Duties of Promoters
- Rights and Duties of Allottees

## Protect The Interest Of Consumers

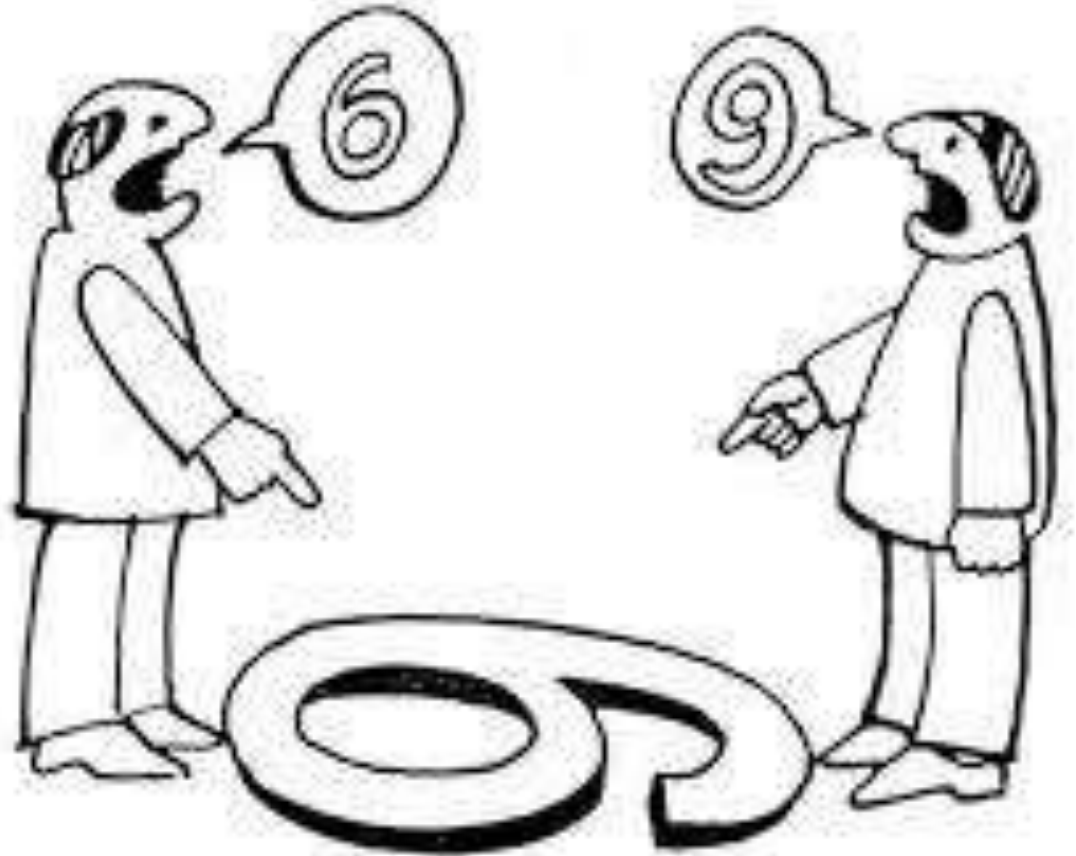
- Adjudication mechanism –
- AO, Appellate
- Conciliation of disputes



PROFESSIONAL  
PERSPECTIVE

AND

RERA



## PROFESSIONAL PERSPECTIVE

1. Rera – Regulatory Authority for the Real Estate Industry
2. Providing uniform data across all stakeholders
3. Differences and Variances
4. Stakeholders and CA's Role
5. Role of CA's
6. Post RERA Practices



## PROVIDING UNIFORM DATA ACROSS ALL STAKEHOLDERS

1. Management of the Business houses – in case of a large organisation, management/board of directors to know the various critical numbers/data of the organisation/business
2. Regulatory Body – Real Estate Regulatory Authority – is the custodian of all information related to the real estate project. Act as a bridge between the promoter entity and the public at large
3. Lenders – to ensure the funds so released/lent is utilized for the purpose of project development or intended use
4. Prospective Customers – Customers will look into the project details, business house, or organisation before they make a decision in the selection of the property and more so, the performance & delivery of the earlier projects to the customers.
5. Government Agencies – planning authorities and other statutory authorities, granted permission to construct or develop the real estate project
6. Tax Authorities – wanting to collect the applicable taxes based on the transactions
7. Research Agencies – Research Agencies to prepare the Analytical report to publish
8. Investors
9. Stock Exchanges





## DIFFERENCES AND VARIANCES

1. The Estimated costs submitted with RERA are different from that of cost details submitted to the lenders/financial institutions
2. Details of Amount realised from the allottees as per RERA and as per Books of Accounts. The amount realised is classified under various heads (like sales, current liabilities, taxes etc)
3. % Of completion is more in RERA and less with Income Tax or GST
4. Number of units booked/sold is more with RERA compared to Income Tax or GST
5. Amount incurred as per RERA is more compared with the Purchases in GST R
6. Amount incurred as per RERA is more compared the Books of Accounts audited
7. Sold/unsold inventory or receivables as per RERA compared to the certificate submitted to the banker as stock or receivable statements.



## STAKEHOLDERS AND CA'S ROLE

1. Promoter – Developer / Builder
2. Promoter – Landowners
3. Allottees – Customers
4. Professionals – CA's, Engineers, Architects
5. Bankers of RERA Designated Bank Account
6. Lenders – Construction Finance
7. Lenders – Housing Loans to Customers
8. Government Agencies / Govt Agency
9. Legal Professionals
10. Other Revenue Authorities – GST, IT
11. RERA Authorities



# ROLE OF CA'S

1. Decision regarding Entity creation to implement the Project – **Ind, PF, LLP, Co**
2. Purchasing an Agricultural Land with the intention to convert into Non-Agricultural Land and propose a plot layout scheme – **Revenue Laws, Taxation**
3. Acquiring Development rights from a Landlord under Revenue Sharing or Area Sharing arrangement – **IT, RERA, GST, Legal, stamp duty, viability**
4. Acquiring Development rights from another Developer as a co-developer along with the existing Developer – **in case of stressed projects**
5. Obtain RERA registration and initiating the Project Execution.
6. Mobilization and structuring the funds for the Real Estate Project
7. Completion of Project and handover to association



# ROLE OF CA'S

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## POST RERA PRACTICES

1. **Prior Registration of Real estate projects is mandatory** – every project required to obtain the registration from RERA Authority before marketing, advertise, collect advance, invite people etc
2. Authority either grants or rejects the application for registration within 30 days – further the Act mention the **deemed registration** if the Authority fail to issue the registration within 30 days of the application
3. Details of registration granted by RERA for the project available on RERA portal
4. Details of the Project including Number/ types of apartments or plots booked, approvals granted, NOC's, the status of the project etc are published by the Authority on RERA Portal
5. Sanctioned plan, layout plan, stage-wise schedule of completion of the project including the provisions for civic infrastructures like water, sanitation and electricity available on RERA portal
6. RERA Registration Number shall be displayed on Project Site
7. All advertising or marketing collaterals shall carry Rera Registration Number, RERA Website address - Print, hoarding, social media, SMS, Television etc
8. RERA Registration number shall be displayed prominently on advertising or marketing collaterals.
9. Promoter is responsible for obtaining leasehold certificate, commencement and completion/ occupancy certificate / completion certificates for all projects



## POST RERA PRACTICES

10. Shall provide Estimated Cost of the Project while application for registration. Means the promoters of the project shall prepare the comprehensive plan considering the various aspects / situation / risks in the life cycle of development of project.
11. Landowner and Developer both are responsible under the Act as Promoter and liable to deliver to the allottees in terms of the agreement entered.
12. Financial management under the Act is mandatory since inception to completion - collection, deposit and withdrawal of money
13. 70 % amount realised from the allottees shall be deposited into RERA Designated Project Bank Account
14. Amount shall be withdrawn based on % of completion of development work
15. Withdrawal of money from RERA Designated Project Bank Account shall be supported by Architect, Engineer and CA certificates certifying the % of completion of development work
16. RERA Annual Audit Due date is 30th Sep of every year (6 months from the end of financial year) – Applicable to all projects since inception to completion.
17. RERA Audit report shall be uploaded along with quarterly updates (Sep quarter)





## POST RERA PRACTICES

18. Quarterly Updates due date - 15 days from the end of the quarter
19. Any modification in the sanctioned plan shall require Section 14 Compliance – there cannot be unilateral decision of the promoter. Promoter shall obtain the consent from the allottees for any modification in plan.
20. Change of promoter / transfer of rights requires Section 15 compliance
21. 2/3<sup>rd</sup> Consent of Allottees required for modification of plan or change of promoter
22. Extension application for End Date (renewal) for project is mandatory. Means every promoter shall plan and develop the project and deliver within timelines provided.
23. File application for extension 3 months before End Date
24. All Compliances shall be in place (Quarterly updates, Annual Audit etc to seek for extension of end date)
25. Extension of Registration in accordance with Section 6 of the Act
26. Revocation of Registration of Project by authority as per Section 7 - Suomoto or based on complaint received
27. Display of defaulter list on the website of the Authority and inform to all other states about such defaulter





## POST RERA PRACTICES

28. Formation of Allottees Association once major bookings are to be done as per Section 11 – it is mandatory for the promoter to enable the formation of Association of Allottees once major booking in the project is done. Such Association shall be in accordance with the local applicable laws.
29. Responsible for compensation for loss or damage caused due to incorrect/ false statement made in prospectus or notice of advertisement or in relation to the model apartment, plot or building – Section 12
30. Communication to Allottees from time to time about progress of development works in the project through any medium
31. Mention of schedule of development of the projects part of Agreement for Sale
32. Mention the Carpet Area in all documents (marketing, offer documents, agreement, sale deed etc) – Carpet Area is the unit of measurement under RERA.
33. Car Park allotment only for exclusive use of private residence of the project. Such car parks shall be allotted in terms of sanctioned plan
34. No Escalation in price once the agreement is entered with the allottees except in case of increase in statutory levies. Means promoter shall consider all possible escalation cost during the tenure of development of the project as part of estimate cost of the project.



## POST RERA PRACTICES

35. Defect Liability is for 5 years - consider the cost of attending / rectifying such defects as part of the cost of the project. Such defects shall be attended with in 30 days of notice by the allottees in the project.
36. Title Defect - Lifetime warranty
37. Appointment of RERA Registered Agent only to promote / market the RERA Registered project
38. Periodical training of Agents / Channel partners and train them on importance of communication with customers
39. Filing of completion application on receipt of Completion certificate and completion of developments works and all obligations as per Agreement for sale
40. Change of RERA Project designated Bank Account with prior approval of the Authority.
41. Promoter Shall not collect more than 10 % of cost of the unit without entering into Agreement of Sale with the allottees
42. Agreement for Sale shall be registered
43. Follow Agreement of sale (mandatory) format as notified by RERA
44. Cash collection is not permitted as per Agreement for Sale



## POST RERA PRACTICES

45. After executing an agreement for sale, not to mortgage or create a charge on the apartment, plot or building
46. Cancellation of allotment only in terms of the agreement for sale
47. Execute a registered conveyance deed of the apartment, plot or building within 3 months from the date of issue of Occupancy Certificate
48. Providing and maintaining essential services until handover the maintenance to the Association of allottees
49. Handing over of the common areas, project land to the Association of Allottees as per Section 17 of the Act
50. Penalties for noncompliance are based on % of Estimate Cost of the Project Sec 59 to Sec 68 of the Act
51. Proper clauses in Joint Development Agreement in relation to roles, responsibilities, mandatory deposit of landowner share of realization of money from the allottees into the project designated bank account, restrictions on withdrawal and utilisation for the development of project and all other compliances under RERA shall be deliberated and mentioned.
52. Construction insurance and Title Insurance is mandatory for the Project
53. Same Rate of interest as compensation (maximum of SBI MCLR + 2%) in case of delay by promoter for completion or delay of payment of installment by allottees.
54. Speedy dispute redressal mechanism and timely disposal of complaints under the Act.
55. Promoter can forfeit only booking amount in case of cancellation by the Allottee.



# Q & A



# T H A N K Y O U

For any clarifications – write to us:

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